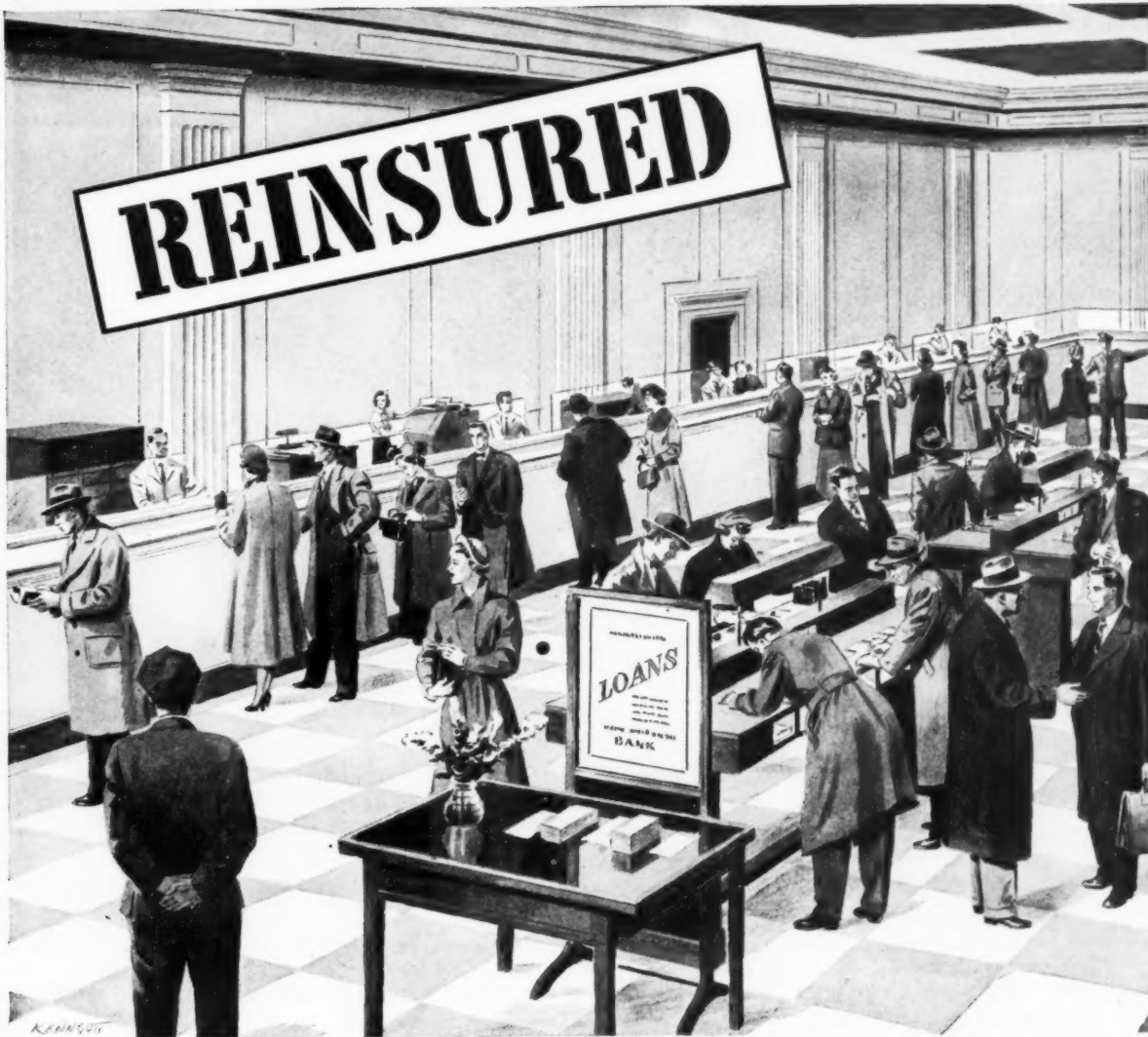


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THURSDAY, DECEMBER 6, 1951

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Would Listen to Alternative Plan by Reinsurers

**Commissioners
Sympathetic to Sliding
Scale; Hear Diemand**

NEW YORK—Members of the reinsurance study subcommittee of National Assn. of Insurance Commissioners during its lengthy session here Sunday indicated their willingness to confer further with the business on some means to preserve the sliding scale contract.

Though reiterating their decision to allow credit against unearned premium reserve for only the minimum commission guaranteed, before completion of the accounting period stated in the contract, the committee expressed its willingness to consider any alternative proposal by the business that would not violate accounting principles.

It did not accept the proposal of John W. Lamble, president of North Star, which was to allow credit to the extent of the provisional commission under each sliding scale contract, so long as the total of the difference between provisional and minimum commissions did not exceed 10% of the ceding company's policyholders' surplus.

Subcommittee Attitude

The subcommittee emphatically stated it is not opposed to sliding scale arrangements and does not want to discourage or curtail their legitimate use or the legitimate effects of such use. On the contrary, the subcommittee stated, it is sound in principle for the ceding insurer to have a direct financial interest in the underwriting results under a reinsurance contract through a sliding scale commission arrangement. However, it was the considered view of the subcommittee that it would violate fundamental principles to recognize that unearned income in the form of contingent reinsurance commissions creates surplus simply because of the amount involved and its relationship to the total net worth of the ceding insurer.

Maloney of California, chairman; Cheek of North Carolina and Stone of Nebraska were on hand for the meeting, which attracted close to 100 in the small meeting room. The subcommittee received the proposal of John A. Diemand, Jr., reinsurance secretary of North America companies, that excess of loss or catastrophe reinsurance be segregated and reported separately in annual statements. The exemption of London Lloyds reinsurance from standards applicable to other alien reinsurance for purposes of credit in the financial statement of ceding companies, was eliminated.

The subcommittee, after the Sunday meeting, voted to continue the sliding scale matter on the agenda because of its importance. It would welcome the appointment by the industry of an industry committee to explore the matter further in cooperation with the subcommittee.

At the executive committee session Sunday afternoon a plea for the "industry" case was made by John Lamble of North Star and by C. F. J. Harrington

(CONTINUED ON PAGE 30)

NEW ACCOUNTING DISPUTE

Submission of all Expense Analysis Plans Draws Fire

NEW YORK—A dispute was aired Tuesday morning during the N.A.I.C. convention between the uniform accounting subcommittee and "industry" spokesmen on the subcommittee's recommendation that plans, forms and definitions relating to any analyses of expenses, not required by uniform accounting instructions, or called for by rating organizations, be submitted to the subcommittee for review.

It was obvious that the "industry" feared this could mean divulging to competitors studies and inquiries of various kinds that might be wanted for keeping within the lodge. James J. Higgins of New York, subcommittee chairman, cited examples of what he had in mind and T. O. Carlson of National Bureau of Casualty Underwriters replied that these the bureau would be perfectly willing to file. But he objected to the wording of the Higgins report as being too sweeping.

Mr. Higgins said some definitions are being used in company circles that don't correspond to uniform accounting rules. The kind of things that he would like for the committee to see, he said, are the elevator and boiler and machinery inspection calls, the statement of companies separating other liability experience by sub-lines, and expense provisions of the National Board statistical plan.

Prior Approval not Proposed

Mr. Higgins said the calls or studies need not be held up by the filing of definitions and forms with the subcommittee. There is no intention to require prior approval, although the subcommittee would want to convey to the "industry" people any criticisms that occur to it.

J. B. Clancy of Royal-Liverpool, chairman of the "industry" committee, asked that the Higgins group spell out more precisely what would be wanted.

The Higgins group recommended rejection of the "industry" proposal that acquisition, field supervision and collection expenses be eliminated as an expense group. There is much dissatisfaction with the present definition of such expenses and all segments of the industry were urged to seek a more acceptable definition.

On the matter of dollar volume of premiums as a basis of allocation, the Higgins committee said more data is needed on amount of expenses not susceptible or direct allocation and the relative merits of premium volume and time bases of allocation. The "industry" is urged to make the studies to obtain such information.

Allocation of Salaries

On executive and other supervisory salaries, salaries paid for supervision should be allocated in proportion to the salaries of employees supervised. It is recommended that, effective Jan. 1, 1952, item 2 of interpretation 6 of the uniform accounting instructions be rescinded and the following interpretation be substituted therefor:

Describe an acceptable method of allocating to expense groups and lines of business the salaries of employees engaged in administrative and or supervisory activities.

A. Salaries of executive heads, such as the president of a company, the chairman of a company's board and their secretaries ordinarily should be dis-

tributed to expense groups and lines of business as an overhead on salaries of supervised personnel, after an apportionment to investment expenses.

If any other methods are used, the allocations must be supported by detailed analyses of activities.

Salaries of other executive officers, department heads and supervisors ordinarily should be allocated on the basis of a study of time spent on the affairs of each of the departments or units supervised and then these salaries should be allocated to expense groups and lines of business as overhead on the salaries of the employees in the respective departments or units.

If any other methods are used, the allocations must be supported by detailed analyses of activities.

Interpretation of Instructions

The subcommittee recommends adoption of the following interpretation of the uniform accounting instructions, effective Jan. 1, 1952:

Includible in the operating expense classification, boards, bureaus, and associations are the following:

"Dues, assessments, fees and charges of . . . underwriting syndicates, pools and associations such as Factory Insurance Assn., Oil Insurance Assn., assigned risk plans—except commission and brokerage, claim adjustment services and taxes, licenses and fees."

This rule is applicable to all assigned risks plans and to 39 listed syndicates, pools and associations.

The Clancy committee also submitted a report, asking that further study be given to the idea of eliminating acquisition, field supervision and collection expenses as an expense group. On the insurance expense exhibit the expenses in this functional group should be combined with those under general expenses except that commissions would continue a separate item under general expenses.

Uniformity Not Sacrificed

The industry committee said it does not subscribe to the belief that because various methods of allocation are being used by companies, any of the objectives of uniform accounting in the insurance business have been sacrificed. "It does not believe that because one company uses surveys based upon judgment of time spent, another uses item counts, and another dollar volume of premiums, etc., non-uniformity exists. The many differences in types of carriers, methods of operation and variables in cost by line of business, all preclude the use of any single method of allocation, and one company may use one or all methods, depending upon existing conditions. Whatever method is employed should be that which sound accounting judgment dictates, based upon the facts in any particular company, and to the end that true costs are presented.

"The judgment or findings of company accountants in employing these various methods of allocation cannot be disregarded or substituted for by a mandatory uniform formula if the industry is to attain meaningful results that will reflect the variations in handling costs in the respective lines of business. Certainly the allocation of expenses based upon factors developed from a premium distribution, even if appropriate, would not make for simplicity unless such factors were applied on a broad countrywide basis.

Much Solid Work Done by N.A.I.C. at New York Meeting

**Life Companies' Atomic
Pool Gets Limelight to
Vote in Closed Session**

By LEVERING CARTWRIGHT

NEW YORK—The midwinter meeting of National Assn. of Insurance Commissioners was brought to a close Wednesday after four days of solid business-like deliberations. There was an absence of fireworks or of any consuming or predominant topic or issue. However, the convention did make some daily newspaper headlines on the tentative proposal of the life companies to commit themselves to a pooling scheme intended to diffuse the fiscal blow of atomic destruction of human life, and on the luncheon speech Tuesday of Lewis Douglas, chairman of Mutual Life, warning that our anxiety to become invulnerable to danger from without may impair the sources from which our strength is derived.



Frank Sullivan

The present commissioners constitute a matter-of-fact, sober-sided crop, competent, attentive to the task at hand, but lacking in imaginative drive to dramatize problems and create new supervisory goals. They are longer on ears than on tongue and as a result the committee sessions move along decisively and quickly if not with sparkle and accent.

The camp followers are henceforth, it appears, going to be deprived of the show that accompanies the occasional balloting on a supercharged issue, for, on motion of Allyn of Connecticut, the association decided hereafter to do its voting in executive session. N.A.I.C. appears to be on the verge of overhauling its procedure in several ways. There were some discussions at New York that point in this direction.

Sunday has now become a regular, full working convention day in the scheme of things. It used to be a day for hanging around with feet on the ground, the executive committee holding a brief session in the afternoon, and then cocktails, etc., but this time were

(CONTINUED ON PAGE 35)

"The industry agrees unanimously that the allocation of expenses by line of business is vitally important from the standpoint of management and supervisory authorities alike. It is furthermore in full agreement that the flexibility allowed by the uniform accounting instructions in using appropriate methods of allocation will produce reliable expense data. It is the belief that the cost by line of business should be developed to such a degree of accuracy as is reasonably attainable and that the recognized methods of cost analysis contemplated by the uniform accounting instructions should be employed to the greatest extent feasible."

Manufacturers Output Policy, Marine Definition Situation Are Reviewed

NEW YORK—For several months a subcommittee has been deliberating on the question of how to classify the manufacturers output policy. Three meetings have been held but no findings are ready. F. J. Marryott of Liberty Mutual so reported for the industry committee on classifications of fire, marine and casualty insurance to the N.A.T.C. committee on definition and

interpretation of underwriting powers, headed by Leslie of Pennsylvania.

The subcommittee hopes to be able to resolve this question by the time of the June meeting.

Mr. Marryott said there are now 373 subscribers to the plan, an increase of 23.

Also reporting to the Leslie committee was J. G. Bill as secretary of the joint committee on interpretation

and complaint.

In the past several months there have been departures from the definition by the individual states or some companies of which the committee did not have timely notice. The committee is obligated to uphold competitive parity between subscribers to the articles of agreement and non-subscribers.

When a state rules differently from the joint committee and thus overrules the committee or amends the definition as adopted by the state without making known its decision to all companies or to the committee, a situation arises

wherein those not appraised of the state's decision might suffer a disadvantage. In this connection, the committee urges better cooperation from the states and is now engaged in a study to devise means calculated to more readily achieve such cooperation.

The increased number of states which have enacted multiple line underwriting statutes and which permit the writing of new forms of "all risks" policies under those statutes has given rise to an additional problem. The ruling of such a state permitting issuance of "all risks" policies on a subject matter sometimes had been misunderstood as a discard or reversal of its ruling adopting the marine definition. Most of the rulings permitting such policies have simply been to the effect that a properly chartered and licensed company employing powers which it possesses may write the policy in question as a line other than marine or inland marine insurance. In other words, the holding is to the effect that the exercise of inland marine powers is not involved or to the extent that such powers are involved, they are proper within the definition and that the different coverage elements of the policy which go beyond the nation-wide definition are permitted under other classifications authorized by the multiple line statutes.

It would be helpful to the committee if rulings made by the states with respect to the extended and expanded powers of underwriters would clearly set forth the theory of approval so that it could readily be discerned as to whether or not the state intended to override or amend the marine definition.

Day Calls Hearing to Get Reduction in Ill. E.C. Rates

The Illinois department has directed Illinois Inspection Bureau and Cook County Inspection Bureau to show cause why rates for extended coverage insurance should not be reduced. In giving the bureau notice of a Jan. 10 hearing on the subject, Director J. Edward Day called attention to data filed with the department by the bureau showing the extended coverage loss ratio for the four years ended 1950.

The total volume of extended coverage premiums in Cook county for the four years in question was \$31,839,694 and for the balance of the state was \$40,424,778. The rating bureaus had previously advised the department that they do not believe a reduction in extended coverage rates is justified.

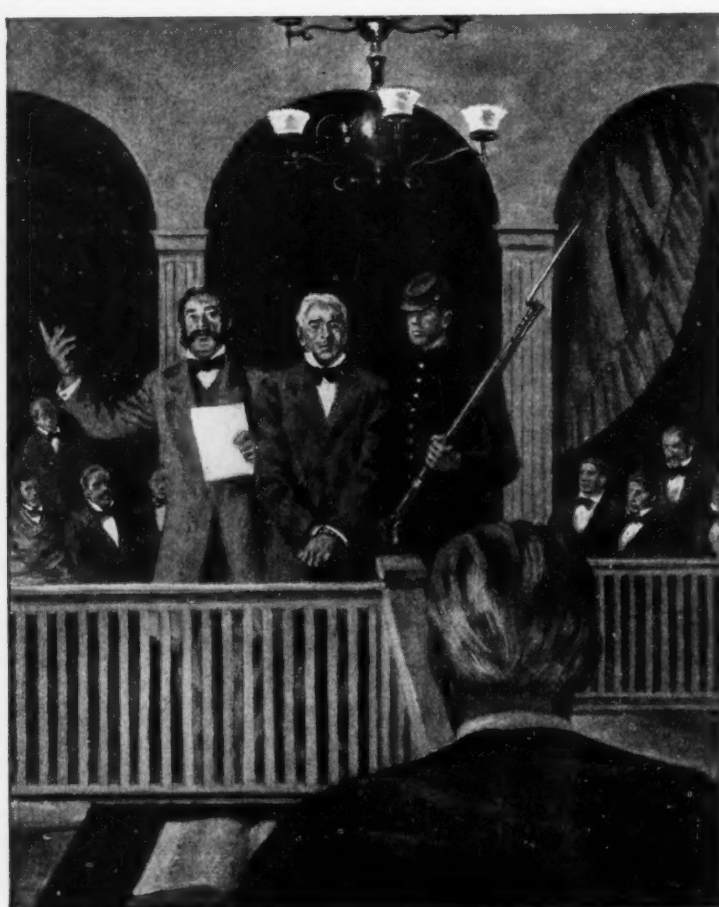
The hearing will also involve possible upward revisions in rates for separately written windstorm and hail insurance which represent a four year total premium volume statewide of about \$3½ million.

The department also issued an order directing Cook County Inspection Bureau to reduce fire insurance rates for hospital and similar institutions in Cook county by 10%. The order for this reduction was made as a result of an appeal by Illinois Hospital Assn. from refusal of the rating bureaus to reduce fire rates for hospitals. The department concluded that because of the less favorable experience downstate, which includes the effect of the disastrous Eflingham hospital fire in 1948, there was no justification for ordering a decrease outside of Cook county.

Crichton Hints He May Resign in May, 1952

Commissioner Robert A. Crichton of West Virginia, addressing a new regional insurance organization, Southeast West Virginia Insurance Club, said that he is planning to resign next May. "I am not a professional politician," he said, "and when I took this job I only planned to stay three years. He was appointed in May, 1949.

Democracy in the Making



WRIT OF HABEAS CORPUS . . . Although Lambdin P. Milligan had never served in the armed forces, he was arrested in Indiana by the military power of the United States on October 5, 1864, was imprisoned, tried, convicted of treason and sentenced to be hanged. In 1866, his petition for a writ of habeas corpus was brought before the Supreme Court. A military commission can not try citizens when the civil

courts are open, and since martial law is confined to the locality of actual war, Milligan was discharged. This case establishes a citizen's right of protection against illegal imprisonment.

Our strict adherence to the principles of democracy has gained the confidence of the Agents of America, of which we have a great appreciation.



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Long-Time Associate Scans C. M. Cartwright's Career

By HOWARD J. BURRIDGE

It is not easy for anyone who knew him intimately and for a long time to adjust to the realization that C. M. Cartwright is gone. He was so alive and active during his 50 years in insurance journalism that he seemed, to the hundreds who saw him regularly, to be almost a permanent fixture. Even though he spent his last few years in darkness, completely blind, frail of body and declining in mental power, it is nevertheless difficult to believe that the friendly, interested, stern looking but warm-hearted man who spent his long business life talking to insurance personalities and writing about them and their companies will be seen no more.

He was either the greatest or one of the greatest insurance editors of his time—the first half of the 20th century. I say this with certainty even though I know that in his own writing he avoided superlatives and warned his reporters against the use of them. His place in the history of insurance journalism is established and secure. I can think of no one who would be inclined to dispute it.

Peak Period Was 1910-40

Although C. M. functioned effectively through a 50-year period, it is probably true that he did his best work and stamped himself upon the minds of insurance men most indelibly from about 1910 to 1940. Prior to 1910, the paper of which he was managing editor—then THE WESTERN UNDERWRITER—had a comparatively small circulation, with few subscribers outside the middle west. Soon after that the list of readers expanded rapidly, its name was changed to THE NATIONAL UNDERWRITER, and so the 30-year period from 1910 to 1940 was the one that stands out as the most important in C. M.'s career. Coincidentally, it was during this span of years that all branches of insurance experienced a great forward movement, a tremendous growth.

When you are putting down on paper your recollections of a man who lived for 82 years, and who started writing about insurance at the beginning of the century, you are addressing yourself primarily to an audience of old-timers. There are many young men in the business to whom the name of C. M. Cartwright does not mean much. But those who have spent their lives in insurance will have no trouble recalling him and his contemporaries in insurance publishing.

Contemporary Editors

Perhaps it will place his time more clearly in the minds of many to recall that the other insurance editors who were prominent and active during C. M. Cartwright's most important days included Charles Belcher, Standard of Boston; Sumner Ballard and William S. Crawford, New York Journal of Commerce; "Tim" Dealy, Herald-Argus; Cyrus K. Drew, Insurance Report and Western Underwriter; Robert Dearden, Sr., United States Review; John "Commodore" Piver, Underwriters Report; Thomas R. Weddell and P. J. V. McKian, Insurance Post; John Hogshead, Baltimore Underwriter; Wilfred Mack, Weekly Underwriter; C. I. Hitchcock and Charles Dobbs, Insurance Field; George A. Watson, THE NATIONAL UNDERWRITER; John Caverly, American Insurance Digest, and Charles Biscay, Insurance Press.

This is not the full list, of course. I have compiled it from memory and included it here only because all of these editors are dead, and many of them died a long time ago. C. M. outlasted all of them.

Most of those who speak of C. M. today refer to him as having been "lovable," using that word in the best masculine sense. They do this, not only

because he was kind, considerate, courteous and thoughtful in his dealings with others, but perhaps primarily because his parents were Quakers, and so he was trained in youth to be non-combative. He disliked quarrels, misunderstandings, sharp differences of opinion, and avoided them by every means that he could employ. He wanted harmony above all else, and went to great lengths to achieve it. Within THE NATIONAL UNDERWRITER family he was the great pacifier. He resolved personal animosities. He was painstaking, patient and determined in eradicating any feelings of hostility that he found in the National Underwriter organization. He was quick to praise, generous with his compliments, but slow and unwilling to condemn.

HAD HOST OF FRIENDS

This was the attitude and state of mind he brought to all, and because it was so unusual it made hundreds and hundreds of friends for him, who were faithful and loyal during all of the years that he was in active practice as an insurance journalist.

A large man, his protruding lower lip gave him a forbidding appearance. He was slow of gait, but quick of perception. By today's standards he was old-fashioned. He believed in hard work, thrift, regular habits, family loyalty, community responsibility and the golden rule. He dressed quietly and inconspicuously. There was always a watch chain across his vest, but never a wrist watch, ring or jewelry of any kind. He was soft spoken, courteous, and almost overly modest in his personal manner.

One of his basic operating principles was that he was determined to get something from every man whom he interviewed during the day. That is, if he went from office to office, interviewing company officials or general agents of fire, life or casualty companies; agents; claim adjusters; or those of any position in the insurance business, his object was to be able to write something as a consequence of each call that he made. This was, of course, not always possible, but it was what he tried to do.

Strong News Sense

This procedure kept alive in him a very strong news sense, and at the same time a feeling of accomplishment. It accounted for many of the smaller and perhaps minor news items that appeared in THE NATIONAL UNDERWRITER, and which, while having perhaps a limited news interest, were nevertheless news.

At every kind of news gathering he was unexcelled. No one has ever appeared on the scene, for instance, who was able to cover an insurance convention of any kind more thoroughly, or more satisfactorily, than he, or who was

able to bring to his readers more completely the color and interpretation of the convention.

When covering a convention he was indefatigable. He attended every session and listened to every speaker. He mingled in the lobby, talking to as many in attendance as possible. He went to all the convention and special committee meetings. He threw himself into the whole business of reporting the convention in detail with such vigor and energy as to make his activities more than surprising to those who had a real understanding of what he was doing. His editorial associates of THE NATIONAL UNDERWRITER stood in awe of the way he handled every convention he attended, large or small.

During his active years, C. M. was a simply prodigious worker. When I say this I do not exaggerate or overstate. He arrived at the office before 8 o'clock in the morning every day, year in and year out. He took about a half hour for lunch, and left at quarter to five with his pockets full of galley proofs, which he read on the train going home to Evanston, Ill., where he lived during all of his business life. He caught the same train every morning and every night. He was extraordinarily regular in these habits. His neighbors used to say that they could set their watches by his comings and goings, and he was proud of this.

For many years his social life was restricted because of the amount of work that he took home. He not only read galley proofs on the train, but did considerable editing at home during busy seasons. His editorship of THE NATIONAL UNDERWRITER came ahead of everything else, at all times. Not only that, but he expected everybody else to feel pretty much the same way about it. For at least 20 years I arrived at the office at the same time he did, we opened and sorted the mail together, and if I had complained about the early hours or the long hours, he would have been astonished.

Relationship with W. S. Crawford

C. M. Cartwright and William S. Crawford had a long and mutually stimulating business association. In many ways they complemented each other and between them brought added stature and importance to THE NATIONAL UNDERWRITER. Crawford was primarily a casualty and surety man, at least at the time he was associated with THE NATIONAL UNDERWRITER. He liked that side of the business and produced an excellent casualty and surety department each week. He was gaining greater importance and ability than even he may have realized, and increasing the size of the casualty and surety section. He was in fact making it too large, considering the over-all size of the paper. One day C. M. told him that he was overset. This stunned Crawford, who did not believe there was any such thing as being overset, providing the material included was good and of a high readership value.

From that time on he felt that his opportunity with THE NATIONAL UNDERWRITER was limited, within a year went

(CONTINUED ON PAGE 13)

C. M. Cartwright, Long Editor of Nat'l Underwriter, Dies

Had Retired in 1947;
Death at 82 Follows
Extended Illness

C. M. Cartwright, editor emeritus of THE NATIONAL UNDERWRITER, who was for more than 50 years its editorial head, died at his home in Evanston, Ill., following a long period of failing health. He marked his 82nd birthday on Nov. 12.

Mr. Cartwright had been totally blind for several years, following two unsuccessful cataract operations. Though largely confined to his room for the last year, he maintained his long-standing interest in the insurance business and the people in it, and enjoyed receiving letters and calls from his many insurance friends.



C. M. Cartwright

Started With Inter-Ocean

Born at Waynesville, O., Mr. Cartwright attended National Normal University at Lebanon, O., and graduated from Princeton, receiving his degree in 1894. He joined the editorial staff of the former Chicago Inter-Ocean and became its insurance editor in 1895, serving until 1899, when he joined forces with the late E. Jay Wohlgenuth of Cincinnati as managing editor and part owner of the Western Underwriter (now THE NATIONAL UNDERWRITER) which Mr. Wohlgenuth had organized in 1897 as the Ohio Underwriter.

It took Mr. Cartwright only a few months to satisfy himself that Cincinnati was not the best place to publish an insurance newspaper. For one thing, western departments of fire companies were being shifted to Chicago from Cincinnati, as business activity expanded to the west. In 1900 the publication office was moved to Chicago, though the business office remained at Cincinnati.

Until a few years prior to 1920, Mr. Cartwright operated the paper as a definitely midwestern publication. He took no trips to New York City, Hartford, or other eastern insurance centers. He kept fairly close to Chicago except for occasional conventions that were not more than an overnight sleeper run from Chicago.

Methodical and Thorough

Methodical in his news-gathering, Mr. Cartwright every Monday made the rounds of the fire insurance field men having headquarters in Chicago. Every week he talked to executives in the western departments. He looked over all the editorial mail and usually answered nearly all the letters himself.

Until THE NATIONAL UNDERWRITER became a truly national publication, Mr. Cartwright undoubtedly knew more fire insurance field men in the middle west, more western department managers, assistant managers, agency superintendents and loss men than any other insurance newspaperman before or since. During this period he also was instrumental in getting jobs for a vast number of field men, adjusters, and even western department executives. He attended insurance dinners or meetings of some kind, on the average, one or two nights a week and could always be relied on for a speech if called on.

Mr. Cartwright excelled as a toast-
(CONTINUED ON PAGE 14)



This picture of Mr. Cartwright was taken at his desk shortly before his retirement.

1951 Hail Premiums Gain 35% to \$33 Million Total

Losses More Than Double to Produce the First Bad Year Since 1945

Premiums written by member companies of Crop-Hail Insurance Actuarial Assn. in 1951 totaled \$33,421,676, an increase of 35% over the 1950 total of \$24,634,397, according to preliminary fig-

ures of the organization. Crop-Hail association members write nearly all of the stock company hail business. The 1951 losses were \$20,033,377, producing a ratio of 59.9, the first unprofitable record since 1945.

The statistics were prepared for the annual meeting of the association last week at which E. R. Smith of Home was elected president to succeed T. G. Dahl of Great American, who has served two terms. Bert R. Walinder, America Fore, was elected vice-president, and C. F. Laude, Rain & Hail Insurance Bureau, secretary. Richard Roth is assistant secretary and manager.

Western Hail Elects

Hail Adjustment & Research Assn., which until recently was Western Hail & Adjustment Assn., also conducted its annual meeting last week and elected L. G. Van Zile, Fireman's Fund, president; Miles C. Formo, Great American, vice-president; E. V. Sharp, America

Fore, secretary. Kenneth S. Ogilvie, Western Underwriters Assn., is assistant secretary.

The change in the title of Western Hail was another of the changes approved at the meeting to enable the association to become national in scope. The executive committee adopted a resolution establishing regional committees, so that the former regional conferences become regional committees, the chairman of each being an ex officio member of the executive committee.

The association will continue its research projects on simulated hail damage to various crops through state agricultural colleges, and in the spring will conduct adjusters' schools at strategic points.

Exceed Permissible Ratio

Until 1951 the hail people had enjoyed five good years. The permissible loss ratio on this class is approximately 51%, and the last time it was exceeded was 1945.

The tremendous increase in premiums is explained as being due mostly to inflation and a realization on the part of the farmers that they need insurance on crops with prices as they are. There was a big increase in Texas, the pre-

miums there being up about \$3½ million even though the bug and drought situations continued. The increase is due primarily to the heavier insuring of the cotton crop. Better weather conditions in the north-central states than prevailed in 1950 brought back that business to its former high level.

In the Pacific states, Arizona showed an increase from \$193,000 in premiums to \$925,000. In the southeast, removal of government cotton acreage restrictions and higher prices for tobacco brought about substantial increases in South Carolina and Georgia.

Many Hail Losses

The 1951 losses increased from \$9,710,409 to \$20,033,377. This was primarily the result of many small storms rather than a catastrophic situation.

Member companies of Crop-Hail Assn. had their heaviest liability in history last year, \$687,391,450. Even in the top premium year of 1947 there was not as much at stake. Also, the companies were charging their lowest average rate, \$4.86, since 1940.

Philip S. Brown last year joined the association as research assistant. At the time he went with the organization he was doing graduate work in meteorology at Florida State College.

The hail people can look forward to the possibility of another premium increase in 1952. Texas, if it produces a sizable wheat crop as in the past, could have premiums of \$5 million or more. Good weather and lack of bugs in Kansas and Oklahoma could shoot those premiums even higher. If inflation continues, the other states are likely to show gains.

Premiums by States

A breakdown of premiums and losses by states and the rank of states by premium income is shown below:

| State | Rank by Premium Income | Premiums | Losses | Loss Ratio |
|----------|------------------------|------------|------------|------------|
| Ala. | 43 | 12,819 | 2,920 | 22.7 |
| Ariz. | 13 | 925,751 | 115,047 | 12.4 |
| Ark. | 37 | 29,639 | 14,150 | 47.7 |
| Calif. | 35 | 37,657 | 4,486 | 11.9 |
| Conn. | 22 | 312,196 | 317,723 | 101.7 |
| Del. | 46 | 217,330 | 517,229 | 237.9 |
| Fla. | 28 | 893 | 95,369 | 87.6 |
| Ga. | 10 | 108,866 | 1,258,302 | 109.6 |
| Idaho | 17 | 1,147,271 | 191,331 | 52.4 |
| Ill. | 9 | 364,827 | 511,240 | 44.4 |
| Ind. | 23 | 1,150,365 | 128,298 | 63.3 |
| Iowa | 11 | 202,557 | 93,038 | 86.8 |
| Kans. | 3 | 1,142,895 | 2,904,554 | 94.6 |
| Ky. | 16 | 3,067,526 | 244,694 | 33.4 |
| La. | 48 | 732,574 | 22 | ... |
| Maine | 34 | 40,130 | 6,648 | 16.5 |
| Mass. | 32 | 25,084 | 7,530 | 30.0 |
| Mich. | 36 | 53,997 | 36,977 | 68.4 |
| Minn. | 8 | 33,784 | 4,752 | 14.0 |
| Miss. | 39 | 1,749,966 | 693,835 | 39.6 |
| Mo. | 21 | 19,974 | 749 | 3.7 |
| Mont. | 5 | 236,511 | 262,835 | 85.7 |
| Neb. | 7 | 2,071,763 | 1,012,266 | 48.8 |
| Nev. | 33 | 1,872,291 | 1,300,760 | 69.4 |
| N. H. | 45 | 43,825 | 18,378 | 41.9 |
| N. J. | 42 | 4,103 | ... | ... |
| N. Mex. | 25 | 15,227 | 6,513 | 42.7 |
| N. Y. | 27 | 178,935 | 48,779 | 27.2 |
| No. Car. | 1 | 109,118 | 58,290 | 53.4 |
| No. Dak. | 6 | 5,174,988 | 3,197,703 | 61.7 |
| Ohio | 30 | 2,066,560 | 734,361 | 35.5 |
| Okla. | 15 | 80,239 | 24,842 | 30.9 |
| Ore. | 20 | 755,013 | 623,727 | 82.6 |
| Pa. | 29 | 304,675 | 59,737 | 19.6 |
| R. I. | 47 | 90,555 | 57,733 | 63.7 |
| So. Car. | 14 | 545 | 4,801 | 881.0 |
| So. Dak. | 4 | 809,350 | 393,031 | 48.5 |
| Tenn. | 24 | 3,013,673 | 1,010,768 | 33.5 |
| Texas | 2 | 187,993 | 102,902 | 54.7 |
| Utah | 41 | 3,415,953 | 2,163,252 | 63.3 |
| Va. | 12 | 17,113 | 3,148 | 18.4 |
| Wash. | 18 | 1,039,642 | 746,860 | 71.8 |
| W. Va. | 40 | 323,106 | 75,366 | 23.3 |
| Wis. | 26 | 19,362 | 5,372 | 27.7 |
| Wyo. | 31 | 144,284 | 92,933 | 64.4 |
| | | 64,689 | 40,125 | 62.0 |
| Totals | | 33,421,676 | 20,033,377 | 59.9 |

Hail results for the last 10 years by premium volume, losses and loss ratio are given herewith:

| | Liability | Premiums | Losses | Ratio |
|------|-------------|------------|------------|-------|
| 1941 | 186,373,455 | 10,044,759 | 5,983,173 | 59.5 |
| 1942 | 264,145,458 | 13,808,744 | 8,892,248 | 64.3 |
| 1943 | 356,426,414 | 18,204,280 | 12,628,431 | 69.3 |
| 1944 | 455,306,115 | 23,937,062 | 14,982,745 | 62.5 |
| 1945 | 543,038,520 | 29,711,042 | 17,286,736 | 58.1 |
| 1946 | 526,088,978 | 28,471,387 | 10,679,454 | 37.5 |
| 1947 | 672,442,527 | 39,478,879 | 18,036,419 | 45.6 |
| 1948 | 630,615,880 | 31,920,213 | 14,735,092 | 46.1 |
| 1949 | 609,276,020 | 33,772,329 | 15,728,396 | 46.5 |
| 1950 | 501,671,608 | 24,634,398 | 9,864,213 | 40.0 |
| 1951 | 687,391,450 | 33,421,677 | 20,033,378 | 59.9 |

Robert E. Israel, Sr., of the Robert E. Israel & Son agency has been elected president of the Wichita High 12 Club.

Salary Disclosure Question Up Again

NEW YORK—The chief item of interest at the meeting of the examinations committee of National Assn. of Insurance Commissioners was whether salaries of fire-casualty executives and directors should be included in examination reports.

Graves of Arkansas thought this unprecedented step should not be taken without the industry being heard, after Day of Illinois brought up the subject. Graves moved to recommit the subject

NEW YORK—The examinations committee of N.A.I.C. voted to approve the manual revision report of the subcommittee headed by Hooker of Connecticut, with four exceptions. The one of most interest to the industry was that which would have called for a showing in examination reports of salaries of fire and casualty company executives and directors.

Also, the handling of the reporting of developments in a company after the examination is completed was left as it has been. A proposal for qualifying examiners was excepted from committee approval.

A fourth item was a resolution covering a point that had been raised by the New York department. The committee went along with the latter's idea that the contents of an examination cannot be disclosed except to commissioners until it is filed.

to the subcommittee on examination procedure and hold in abeyance any implementation of the recommendation made at Swampscott.

The motion was passed after an amendment by Allyn of Connecticut that both the departments and the industry be given opportunity for a hearing. J. Raymond Berry, National Board; Newell Johnson, American Mutual Alliance, and Vestal Lemmon, National Assn. of Independent Insurers, said they hoped the motion would carry.

Wants Whole Report "Heard"

Henry Moser of Allstate said he hoped the whole report of the subcommittee headed by Russell Hooker of Connecticut would not be acted on before the industry had a look at it. At this point the committee, with Bowles of Virginia in the chair, went into executive session.

The Hooker subcommittee has been revising the examination manual of N.A.I.C. In his report, Mr. Hooker said some matters need further study and recommended the subcommittee's con-

(CONTINUED ON PAGE 36)

yesterday and today...

Years ago we insured goods in transit by conveyances of that period. Now we do the same for the World Trade of Today by all present modes of transportation. The era of jet planes has arrived, and we will furnish all transportation insurance needs of the future.

OCEAN MARINE INLAND MARINE AIR CARGO ALL RISKS INSURANCE
STEVEDORE AND SHIP SERVICE LIABILITY FOR PROPERTY DAMAGE

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BALTIMORE • BOSTON • CHICAGO • COLUMBUS, O. • DALLAS • HOUSTON
LOS ANGELES • NEW ORLEANS • PHILADELPHIA • SAN FRANCISCO
SEATTLE • TAMPA • TORONTO

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Companies Win Round in W. Va. Taxation Suit

The circuit court of Kanawha County has enjoined the state auditor of West Virginia from imposing a foreign corporation licensing requirement and license tax law on insurers.

Insurance companies had not been asked to fulfill the requirements of the 50 year old law until early this year. They had been fulfilling similar requirements and paying a tax under other statutes applicable only to them administered by the insurance commissioner.

Last February the state auditor asked the attorney general of the state for an opinion as to the liability of the insurers to pay taxes under the general foreign corporation statute. The attorney general's office submitted an opinion which held that insurance companies had to qualify under both laws, not only with the insurance commissioner. This meant, according to that opinion, they would have to pay not only a license tax and gross premiums tax but also the annual license tax imposed on foreign corporations generally.

All Insurers Oppose

The opinion was opposed by mutual and stock casualty, fire and life companies. American Mutual Alliance retained the firm of Kay, Casto & Amos of Charleston to represent them. American Life Convention, Life Insurance Assn. of America, Assn. of Casualty & Surety Cos., and National Board are represented by Steptoe & Johnson.

The two law firms acting jointly submitted an informal brief to the attorney general arguing conclusions contrary to his. After considering their arguments the attorney general's office reaffirmed its opinion.

The law suit will result in a determination by the courts of the proper interpretation of the statute. Until that time the auditor of the state has been enjoined from applying the law. If the general corporate statute is held to apply to foreign insurance companies they will be required to pay license taxes for the past 5 years and, in addition, to pay such taxes henceforth and submit to the general corporate licensing requirements of the state. In addition, they will be required to pay the license and premium taxes and submit to the licensing requirements of the insurance commissioner.

Glens Falls Nine-Month Premiums Are Up 12%

Premiums written by Glens Falls group for the first nine months totaled \$44,954,694, up 12% over the same period last year. Earned premiums were \$40,284,022, compared with \$37,062,880.

Incurred losses and loss expenses increased to \$23,758,076 from \$17,612,995. Underwriting expenses were \$18,199,612, as against \$16,301,561. Income from investments for the first nine months increased 12%.

Consolidated capital, surplus and voluntary reserve, including Glens Falls Corp., amounted to \$31,219,895, compared with \$31,357,640 at Dec. 31, 1950. Increase in premium reserve for the nine months was \$4,670,672.

Government "Sympathetic" on Discrimination Issue

WASHINGTON—Business Action, publication of the U. S. Chamber of Commerce, says that a State Department official "promised" cooperation to American insurance interests seeking elimination of foreign discrimination against U. S. insurance operations abroad.

However, other sources say there was no specific "promise," but that

while Willard I. Thorp, assistant secretary of state for economic affairs, said the department is "sympathetic" with the position of American companies, and it tries to serve the interests of American business in negotiating treaties, often the department cannot always get what it wants, but is forced to compromise.

Discrimination by foreign governments against U. S. insurance interests operating abroad has been subject of complaint over a period of years, especially with reference to Latin American countries. Representatives of the insurance industry and of the national chamber

have conferred at intervals with State Department and other government officials, but last week a meeting was conducted at higher levels. There has also been considerable correspondence between the parties.

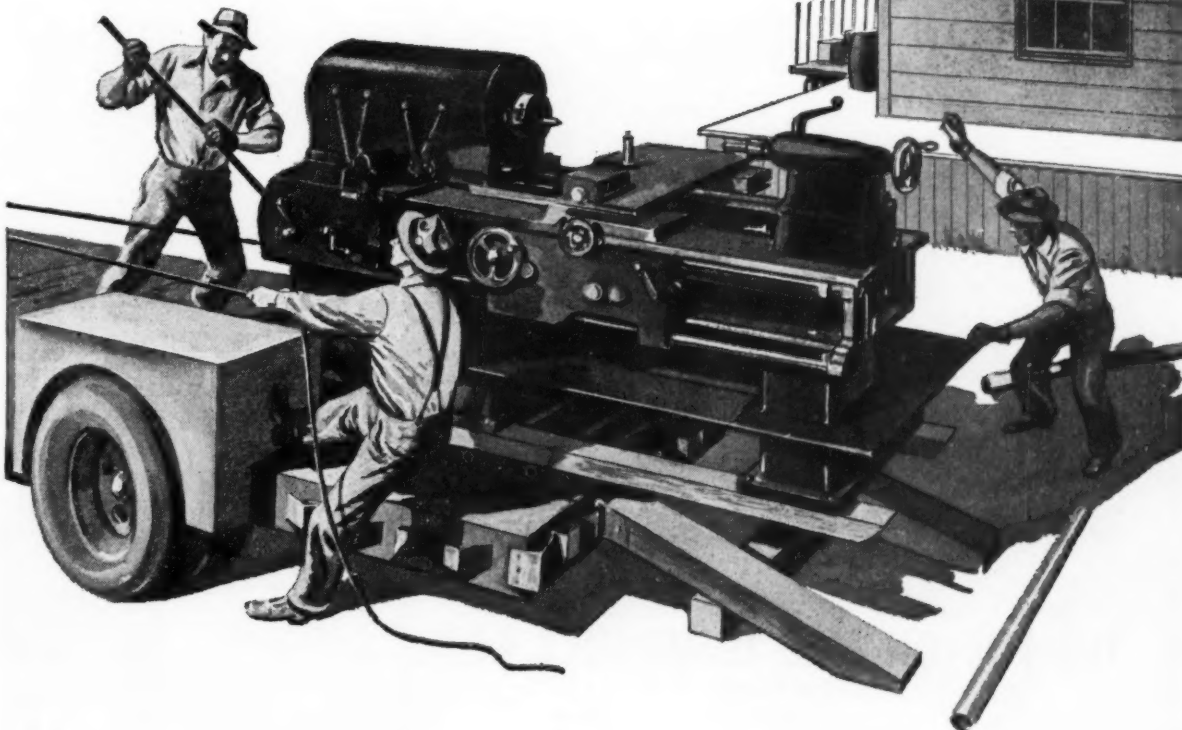
Those representing the industry at the meeting were William Bonner, Chubb & Son; Archie M. Stevenson, of Bigham, Englar, Jones & Houston, general counsel, Association of Marine Underwriters of the U. S.; Roy Leiffen, of that firm's Washington office; A. L. Kirkpatrick, manager U. S. Chamber insurance department.

Besides Thorp, other government officials were Jerome Sachs, Department of Commerce insurance division, and Vernon Setzer, chief, economic treaties branch, State Department.

Form Raleigh Mutual Group

DeVan Barbour, Jr., has been elected first president of the newly organized Raleigh (N. C.) Assn. of Mutual Insurance Agents. Robert W. Woodson is vice-president; Victor Fisher, secretary; B. Moore Parker, treasurer, and Harry Randall, chairman.

Easy does it!



But as the seller of a \$50,000 lathe and responsible for putting it in place, you'd be mighty uneasy without full coverage against damage during delivery or installation. The sale of machinery and special equipment often provides that the seller must install at his own risk ...the value of his "wares" must be protected. Installation Risks coverage can be tailor-made to fit the specific needs of the manufacturer or distributor whose property is exposed to count-

less hazards while it is being transported and before it is fully installed.

Installation Risks coverage is discussed in the December issue of Fireman's Fund IDEA INDEX. A monthly mailing to all of our producers, the IDEA INDEX has been so successful in building their business that we are making it available to any agent or broker, regardless of whether you do business with us. Mail the coupon today for a copy of the December issue.

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Roy Sellery Is Honored on Double Anniversary

Seventy-one associates, friends and board members of Western Adjustment last week attended a reception and luncheon at the Union League Club honoring Roy A. Sellery, treasurer, on the occasion of his 70th birthday and his 50th year with the organization. Mr. Sellery actually marked his half century with Western in April, but it was decided to incorporate the two anniversaries at the time of his birthday.



ROY A. SELLERY

President John C. Harding of Western, who is vice-president of Springfield F. & M., was toastmaster. Remarks on behalf of his associates were given by Ben M. Butler, general manager of Western; for the supervisors by Allen C. Guy; for the veterans of the organization by Oscar C. Heiam, and for the directors by Charles H. Smith, vice-president of Hartford Fire.

E. A. Henne, vice-president of American Fore, presented Mr. Sellery with a gift of a silver service from the organization.

In his tribute, John Harding referred to Mr. Sellery as a practical idealist in the adjusting business who has seen in his time at the helm of Western a growth from 209 adjusters and 42 branch offices to 854 adjusters and 202 branch offices.

Mr. Sellery started with Western in 1901 at Milwaukee. He moved to Chicago as bookkeeper in 1902 and successively was solicitor, examiner and junior adjuster until 1906 when he went to Cincinnati as assistant. Later he served at St. Louis, and in 1910 was given the responsibility of establishing a branch in Indianapolis. In 1921 he returned to the head office as assistant general manager. He succeeded W. E. Mariner as general manager in 1926, continuing in that post until he was elected executive vice-president in 1950. At that time Mr. Butler was made general manager and Mr. Sellery relinquished many of the responsibilities to him. The next year he relinquished other duties, retaining only those of treasurer.

Tilted Truck Which Struck Car Not "Falling Object"

The attempt of an assured who had auto comprehensive but not collision insurance to have a collision loss worked over so as to fall in the comprehensive column met with failure in the Oklahoma supreme court. The decision was won by Concordia Fire, while W. I. Smith, the insured, was on the losing end. The insured had gotten a decision in the lower court. Clausen, Hirsh & Miller of Chicago represented Concordia.

The accident occurred when Smith's automobile was crossing a bridge. A truck was entering upon the bridge from the opposite direction. Its right rear wheel struck the side of the bridge with an impact which threw the rear end of the truck sidewise and into the air and the left rear wheel of the truck in descending motion struck the side of Smith's car. Trailer equipment that was riding on the truck chassis above the rear wheels also struck the side of Smith's car.

Smith claimed that this fell under the

comprehensive insurance on the ground that the loss was caused by a "falling object."

The question is whether the truck as a primary cause of loss was a falling object within the meaning of the contract. The supreme court said the trial court was influenced by the fact of the descending angle of the impact when the truck struck the automobile. As an abstract proposition the idea might arise that trucks in descent are falling objects for clearly all tangibles are objects and the word "falling" is a derivative and

partakes of the meaning of the verb "fall" and as a present participle expresses a state of action in progress or a present descending. In the insurance contract the word "falling" is an adjective. It modifies the noun objects and simply expresses an attribute. It denotes a quality of the thing named.

The court held, therefore, that the term "falling object" here means objects impelled by the force of gravity. Concordia's demurrer to the evidence should have been sustained, the supreme court said.

An advertisement similar to this appears in SATURDAY EVENING POST, December 1



"The De Witt Clinton" . . . first U. S. passenger steam train, Albany to Schenectady, N. Y. 1831. Painted by E. L. Henry in 1892.



Invention...

Railroading has undergone many changes since the "Clinton" of 1831. Rapidly changing demands of a progressive people have wrought their revolutions not only in transportation, but in nearly every other phase of American life, as well.

Insurance is no exception. To keep up with the march of time, it has been necessary to devise ever new and broader techniques. Alert people need the counsel of alert insurance men who, by

training and experience, are equipped to discover new exposures to loss and provide modern forms of protection.

The 16,000 agents of the Great American Group of Insurance Companies are so qualified. Select one of them—or a reputable broker—as your insurance counsel and consult with him periodically. Let him and the Great American Group protect you against loss.

Great American Group of Insurance Companies

WORLD-WIDE FACILITIES FOR PRACTICALLY

ALL FORMS OF INSURANCE EXCEPT LIFE

GREAT AMERICAN - AMERICAN ALLIANCE - AMERICAN NATIONAL - GREAT AMERICAN INDEMNITY
ROCHESTER AMERICAN - DETROIT FIRE & MARINE - MASSACHUSETTS FIRE & MARINE

Rules Agents Must Countersign in Person in Mass.

The Massachusetts department has held that counter-signature of policies by other than licensed agents is illegal under the insurance law.

In all but the smallest offices, it is customary for the agent to delegate policy-signing to a clerk. Most companies supply special forms to grant a power of attorney.

The department holds that every policy written in the state must be countersigned physically by a licensed resident agent. The matter was brought to a head when an insurance company organization asked if the law permitted the use of power of attorney during a routine check of counter-signature re-

quirements.

Most of the companies so far are waiting for further clarification, but at least one fire company has ordered its Massachusetts agents to cancel powers of attorney. The agents will have to sign policies themselves, since rubberstamp signatures are not permitted.

Policies already issued are valid, as it is an established principle in Massachusetts that a company cannot deny liability because of its own or its agent's illegal acts. But legislation may be needed to straighten out future difficulties. The law provides for a fine of from \$50 to \$500 for violation of any of the provisions, and the counter-signature requirement is in that category.

New Idaho Code Sought

Idaho is badly in need of a new insurance code, Commissioner O'Connell stated in his annual report. He said the

code is needed in the interest of preserving uniformity among the states and that many of Idaho's laws "do not conform to present-date insurance activities."

Mr. O'Connell pointed out that amendments to the Idaho law passed in 1951 were so drafted that they can be inserted in a new code without change if one is prepared. Commenting on more stringent legislation passed at that session, he said:

"If the examination of a company shows its financial structure to be impaired, we can now check the company's activities and advise with the management before the company gets beyond the possibility of rehabilitation."

During the past fiscal year, he said, two domestic companies became involved in financial difficulties and the department was forced to take action to save policyholders from possible loss.

De Waters to Higher Royal Exchange Post

Walker De Waters, U. S. secretary of Royal Exchange group, has been appointed assistant manager of Royal Exchange and State and vice-president of Provident Fire to succeed William B. Kelly, who is to retire Dec. 31.

Mr. De Waters started in the business in 1919, going with Royal Exchange in 1926.

Michael Bonner, general agent for the fire companies, has been appointed branch secretary of the group. He started with Royal Exchange in 1926.

Arthur Lang, who is special agent in New Jersey, has been appointed assistant secretary. He started with the companies in 1933.

Mr. Kelly on his retirement will have completed more than 43 years of insurance experience, having entered the business in 1908, 19 years of which were spent with the Royal Exchange.

New Loss Clause Proposed in E.U.A. Territory

Eastern Underwriters Assn. is understood to have recommended adoption of a new loss clause which will eliminate the need for unearned premium insurance. The proposed clause reads: "Any loss hereunder shall not reduce the amount of this policy." In the event of cancellation after a loss by either the company or insured, the usual policy provisions would apply.

The clause was proposed by Insurance Executives Assn. and has the advantage of simplicity. Its use in valued policy states is not expected to cause much trouble since valued laws apply only in case of total loss and a second loss would have to occur in close sequence to have any real effect.

Simplify Handling Dailies

NEW YORK—Successful testing of a plan to eliminate formal criticism of dwelling daily reports and endorsements of \$7,500 or less has resulted in the state-wide adoption of the plan in New York. In a bulletin to member companies and producers, H. D. Rice, general manager of New York Fire Insurance Rating Organization, has advised that errors on such dailies will be pointed out to producers by the stamping offices without the detailed formal procedure which has been in operation in the past.

The initial test was made in the Rochester stamping office from May through October and has been highly successful.

Pa. Lumbermen's Changes

Pennsylvania Lumbermen's Mutual has made the following changes in its executive lineup: Joseph A. McCormic becomes assistant vice-president and assistant secretary; John J. Ford, assistant secretary and assistant manager; William J. McCullough, assistant secretary; Karl S. Pearson, assistant treasurer; and George J. Markey, chief accountant.

N.A.I.C. Bulletin Service Idea Gets Cool Reception

NEW YORK—Hugh Tollack, assistant secretary of N.A.I.C., at the executive committee meeting of that organization here Sunday afternoon, reported on the results of his questionnaire to insurers on his proposal to develop an informational service from headquarters with annual subscription price of \$100. He addressed all insurers licensed in six or more states, of which, it is understood there were some 700. There were 212 replies and 144 expressed willingness to subscribe.

Later the executive committee in executive session rejected the idea of going ahead with such a program, at least for the time being.

Revoke Ill. Agent's License

The agent's license of Eugene L. Cottingham of Pekin, Ill., has been revoked by Commissioner Day. Cottingham solicited public liability automobile insurance without a broker's license, receiving approximately \$1,200 in illegal commissions since 1947. He is a Chevrolet dealer and has been licensed since 1941 as an agent for Motors, but since 1947 had exceeded his license, which covered physical damage only.

Mr. Day announced that the department has evidence that other automobile dealers have been engaged in the same practice as that of Cottingham and appropriate investigations are being made.

May in New Newark Post

Frank May has been appointed fire manager at Newark for American Aviation & General. Mr. May entered the insurance field 30 years ago after attending the University of Louisville.

The Perfect Hotel for Successful Sales Meetings!



Check these points —

- ✓ Centrally located just 45 minutes from the heart of Chicago in suburban Highland Park.
- ✓ Stately Georgian buildings surrounded by 21 beautiful wooded acres overlooking Lake Michigan.
- ✓ No commercial distractions, no city turmoil. Keep your men together in a quiet "country home" work-inspiring atmosphere.
- ✓ Private beach and every recreational facility on the grounds or close by.
- ✓ No extra charge for use of ballroom and conference rooms of varying sizes.

Convention or sales groups given first preference year 'round. Write for full information.

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N.A.I.C. Runs Out of Bids

NEW YORK — The 1952 December meeting of National Assn. of Insurance Commissioners will be held at New York with the exact dates and hotel selection left open, it was decided by the executive committee in executive session here Sunday. The 1952 annual meeting in June is at Chicago. There were no other invitations at hand either for next December or thereafter. Some opined that this is because the convention has become so large, the entertainment burden is more than the insurance fraternity in any one city wants to take on any more. Hence there was discussion of the idea of deemphasizing entertainment.

The executive committee rejected the proposal to hold but one full meeting a year. That would tend to lodge much greater authority in the zone apparatus. There appears to be emerging some conflict between the zones and the national setup as it is.

There was considerable discussion of meeting procedures centering about a sharply critical letter that had been composed by Jorge Font Saldana, the Puerto Rican commissioner, and a response by Insurance Director Day of Illinois. One idea that is being considered is to have one day following the convention as it is now known, for commissioners only, the welcome mat being removed for the camp followers.

Western Special Risk Men Schedule Annual Meeting

Western Conference of Special Risk Underwriters will hold its annual meeting at Chicago Jan. 4. Earle S. Whitcombe of Hartford Fire, is chairman of the organization.

Plan Buyers' Clinics

American Management Assn. will conduct two seminars on insurance at New York this spring. The dates are Jan. 9-11 and Feb. 25-27. Subjects to be covered in separate clinics include: Programs to reduce insurance costs, proper use of business interruption insurance, loss analysis and control in industrial operations, insurance problems in employee benefit plans, scope and placement of foreign insurance, records, reports and manuals for the insurance buyer, and efficient handling of the part-time insurance buyer's job.

To File A.E.C. in N. H.

The additional extended coverage endorsement will be filed shortly in New Hampshire, according to A. Clifford Hudson of the New Hampshire board. Mr. Hudson made the statement following a meeting of the board's executive committee. The policy probably will be filed at the 4 cent rate that applies in other jurisdictions.

New Cotton Cover Plan

MEMPHIS — Federal Compress Co. has announced a plan to insure cotton in the bale from the ginner's platform through storage to final sales destination for 2 cents per month per bale "against all sorts of damage or loss except war." The coverage is being underwritten by American Fidelity Fire, and reinsured by London Lloyds. Coverage includes "losses by fire, cyclone, tornado, wind-storm or flood, either because of the sudden influx of torrential rains or from overflowing rivers." Federal Compress operates plants in Arkansas, Louisiana, Mississippi, Missouri and Texas.

250 Hear Southall, Loman

LOUISVILLE — About 250 persons attended an insurance conference here sponsored by Kentucky C.P.C.U. chapter and Louisville Chamber of Commerce. Speakers were Commissioner Southall and Dr. Harry P. Loman,

dean of American Institute for Property & Liability Underwriters.

Mr. Southall discussed the Kentucky insurance code enacted last year, and said it could well serve as a model for the entire nation. He indicated that no amendments are in the offing at the coming legislature.

Dr. Loman explained the educational requirements of the institute and awarded a certificate to Willard Brown, Jr., Kentucky manager of Glens Falls Indemnity.

Walter Nordell, state agent of New York Underwriters, spoke and showed a film at the Dec. 5 dinner meeting of Insurance Agents Assn. of St. Paul.

Blanks Meeting Sets Speed Mark

The National Assn. of Insurance Commissioners committee on blanks held what may have been the shortest meeting of all the sessions at the N.A.I.C. meeting in New York.

J. R. Lange, Wisconsin, vice-chairman of the blanks committee, substituted for Robinson of Ohio who had another engagement. He called the meeting to order and announced that the committee had nothing on its agenda, and asked if

the industry had anything to report. There were no responses and he declared the meeting adjourned.

The blanks committee has adopted a new blank for life companies which will be used for the first time this year and completed other major projects at its recent meetings, leaving it temporarily with no big problems to discuss.

Damage to electrical water heaters and water pump motors from lightning surges and means of reducing this hazard are reported in an informative bulletin released by the Southeastern Underwriters Assn.



Good time to Register an Important Idea!

You already know that more automobiles will be registered next year than ever before. The idea we want to get over is this: Selling insurance is only part of your job. Sell the idea of automobile safety along with insurance and you'll be doing your clients a double service.

Promote driving safety every chance you get. Anytime there is a campaign on careful driving, get into it with both feet. Cooperate with your local police force. Work through your Chamber of Commerce. Foster driver training programs in your schools.

Safe driving is everybody's responsibility.

Remember, since the cost of repairs is high, accidents cost more today than ever. Make sure the drivers you insure are safe drivers and you will be helping to save lives and property, as well as insurance dollars.



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Possibilities of U.&O. Line Told at Indiana Meet

Premium possibilities in the writing of business interruption insurance were featured at the concluding session of the annual convention of Indiana Assn. of Insurance Agents in talks by John T. Even, assistant western manager of Fireman's Fund, and Ivan H. Anton, local agent of Des Moines.

Mr. Even said that business interruption is an easy form to sell, but it is ignored by the agents. National Board figures show that only 3 1/2% of all fire premiums in Indiana are on business interruption, and the nation-wide average for this line is only 2.9%. Yet, when an analysis of losses is made, business interruption represents from 30 to 60% of the total loss suffered by an insured. According to these statistics, the percentage of business interruption premiums in Indiana should be at least 20% of the total fire premiums.

For a form of insurance that means so much in the event of loss, the in-

significant sales of it are a reflection on the business, Mr. Even said. He remarked that he has talked to 25 agencies from towns in the middle west with populations varying from 3,000 to 10,000, and has learned that not one agent had a single business interruption policy on his books. In one case the agent admitted that his gross fire premiums exceeded \$60,000. In each of these towns, the agents are only insuring from 30 to 60% of the loss the merchants and manufacturers would suffer from a fire, Mr. Even pointed out.

Trade Groups Are Informed

He added that trade associations, credit groups and others are apparently more aware of this situation than the insurance people. Special trade bulletins have been issued that stress earning forms of insurance.

The agent is cheating himself by not following this line, since the premiums involved are substantial and can mean an increase of from 45% to 50% in fire volume, Mr. Even said.

Mr. Anton said that in his agency business interruption premiums amount to nearly as much as the fire premiums, the average business interruption sale producing \$156 as compared with \$179 for the other fire lines.

The average insured may divide his fire insurance among many agents but he usually puts all his business interruption with one person, thus making that line the biggest premium producer. The business man likes to talk about his profits with as few people as possible, and the one agent who gets in on that item stands a good chance of controlling the balance of the business.

Mr. Anton said that an agent should sell himself on the simplicity of the form, stating that only three terms have to be understood, net sales, cost of merchandise sold and gross profit.

Use the Telephone Book

Prospecting can be done through the city telephone directory, and before the agent approaches his prospect he should have ready good reasons why the particular business solicited should carry business interruption. For example, in many of the old buildings each exterior wall is an independent unit, whereas in new buildings the wall is independent on each floor. An explosion in an old building would be more serious, and points like this are often things that the prospect overlooks. The lack of waterproof floors mean extra damage in a fire, or for those shops inside an

arcade, a fire at the entrance could mean a loss in business.

New business concerns are just as good prospects as those already established. Mr. Anton said he insured a super market that anticipates \$2 million of annual sales, although it will not open until Feb. 1. However, a fire at this time would be disastrous and protection is needed.

Appeal N. C. Rejection of All-Risk Dwelling Rider

RALEIGH, N. C. — W. H. Rodda of Chicago, secretary of Transportation Insurance Rating Bureau, has appealed to Commissioner Cheek from the North Carolina Fire Insurance Rating Bureau's refusal to approve a comprehensive dwelling endorsement for the fire and extended coverage policy.

Commissioner Cheek has set a hearing on the appeal for Dec. 13.

Mr. Rodda informed the commissioner that the proposed endorsement is intended to provide all-risk coverage for single-occupancy, owner-occupied dwellings. Forty of 41 mutual companies which are members of his bureau are participating in the filing, he said.

Approved in 36 States

The North Carolina bureau turned down the plan at its October meeting. Mr. Rodda said it already has been approved in 36 states and District of Columbia. Several companies which are members of the Transportation Bureau have notified the commissioner that Mr. Rodda will represent them at the hearing. Numerous North Carolina mutual agents have written the commissioner that they favor the endorsement.

According to the filing, rates proposed for the endorsement are 10 cents per \$100 if coinsurance is under 80%, and nine cents per \$100 if coinsurance is 80% or greater.

W. HAROLD LEONHART wants you to know:

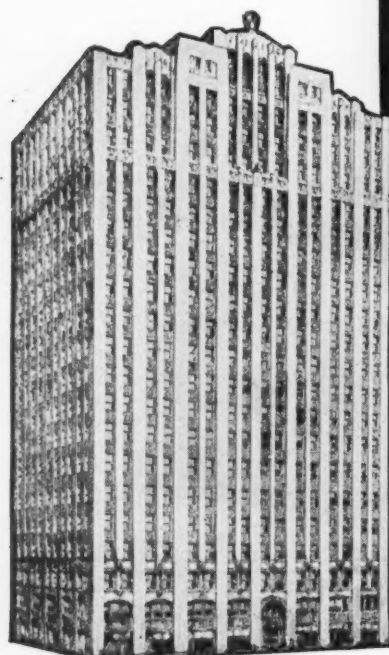
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|-----------------------------|--------|--------|--------|
| Aetna Casualty | 3.00 | 86 1/2 | 88 1/2 |
| Aetna Fire | 2.25* | 52 | 53 1/2 |
| Aetna Life | 2.50* | 79 | 81 |
| American Alliance | 1.50* | 29 | 30 1/2 |
| American Auto | 2.00 | 40 | 43 |
| American Equitable | 1.50 | 24 | 25 1/2 |
| American (N. J.) | 1.00 | 20 1/2 | 21 1/2 |
| American Surety | 3.00 | 50 | 52 |
| Boston | 2.65* | 63 | 65 |
| Camden Fire | 1.15* | 20 | 21 |
| Continental Casualty | 2.50* | 61 1/2 | 63 |
| Fire Association | 2.60 | 55 | 57 |
| Fireman's Fund | 1.60 | 50 | 52 |
| Firemen's (N. J.) | .80 | 21 1/2 | 22 1/2 |
| Glens Falls | 2.40* | 52 1/2 | 54 |
| Globe & Republic | .80 | 12 | 12 1/2 |
| Great American Fire | 1.50* | 33 1/2 | 35 |
| Hanover Fire | 1.60 | 33 1/2 | 35 |
| Hartford Fire | 3.00* | 130 | 133 |
| Home (N. Y.) | 1.80 | 34 1/2 | 35 1/2 |
| Ins. Co. of North Am. | 2.50* | 65 1/2 | 67 |
| Maryland Casualty | 1.00 | 19 | 20 |
| Mass. Bonding | 1.60 | 27 | 28 1/2 |
| National Casualty | 1.50* | 28 | 30 |
| National Fire | 2.50* | 57 | 59 |
| National Union | 1.60 | 35 | 36 1/2 |
| New Amsterdam Cas. | 1.50 | 32 | 33 1/2 |
| New Hampshire | 2.00 | 39 | 41 |
| North River | 1.20 | 27 | 28 1/2 |
| Ohio Casualty | 1.20 | 64 | 66 |
| Phoenix, Conn. | 3.00* | 80 1/2 | 83 |
| Prov. Wash. | 1.50* | 28 | 29 |
| St. Paul F. & M. | .80 | 34 | 36 |
| Security, Conn. | 1.60 | 30 | 31 1/2 |
| Springfield F. & M. | 2.00 | 44 | 46 |
| Standard Accident | 1.60 | 32 | 34 |
| Travelers | 14.00* | 595 | 605 |
| U. S. F. & G. | 2.00 | 50 | 52 |
| U. S. Fire | 1.40 | 40 | 42 |

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DEDUCTIBLE CHANGED**New Windstorm Rate Setup for Fla. East Coast Approved**

TALLAHASSEE — New windstorm insurance rates affecting eight lower east coast Florida counties have been approved by Commissioner Larson. The counties affected are Dade (Miami), Palm Beach, Monroe, Indian River, St. Lucie, Martin and Brevard.

The two principal changes concerned the deductible clause and outside paint damage. In the area lying east of the west bank of the inland waterway, the standard \$100 deductible clause will be replaced in future policies by a 2% deductible, with a minimum of \$100. This will apply to all property except residence units, including 4-unit apartments. At the option of the assured, the \$100 deductible may be retained on payment of a 25% increase over present rates.

The other main feature provides that payment for damage to outside paint will be excluded from coverage of properties in the eight counties except in the part of Brevard county lying west of the Indian river.

Opposed by Hotel Owners

These changes were hotly contested by Miami Beach hotel owners earlier in the fall. They are not applicable to existing policies but will apply only to new and renewal policies, and will not affect any Florida properties outside of these eight counties. The counties involved are considered especially exposed during the hurricane season.

Commissioner Larson said: "We believe the new plan will provide badly needed windstorm facilities to the people of the area on a reasonable basis. It will overcome the difficulty that property owners have experienced in obtaining coverage, particularly on properties where mortgage terms required windstorm insurance. Also, it is felt this change will permit coverage to go to admitted companies at a more reasonable rate than is now being charged by non-admitted companies, where there is a sliding scale deductible from 2% to as high as 12% on builders' risks."

Mr. Larson said the changes are the result of a continuing study over the last three years, trying to find a reasonable solution to a critical problem which has existed along the lower east coast. Many companies have greatly reduced the amount of liability they are willing to assume in the area affected, and the commissioner believes they will now be willing to increase their writings.

Liberty Mutual Installment Plan Gets Mass. Rehearing

The installment premium plan of Liberty Mutual Fire, disapproved by Massachusetts supreme judicial court last October, got another chance for survival when the high court granted a rehearing on the company's plea for continued use of the plan. The action is considered unusual since only rarely is a rehearing granted after a decision is rendered by the full bench.

Originally outlawed nearly a year ago by former Commissioner Harrington, the supreme court in its October decision said the plan could not be used because Massachusetts law requires all mutual companies not operating on the assessment plan to collect full premiums in advance.

Oral argument will be permitted at the rehearing, scheduled for Jan. 10.

Idaho Considers Employing Full-Time Secretary

The executive committee of Idaho Assn. of Insurance Agents will meet at Boise Dec. 8. The committee will consider employing a full-time executive

secretary. A proposal for lowering dues for agencies with less than \$15,000 in annual premiums will be studied. All members of the association have been invited to attend the meeting and express their views.

The Idaho association is sponsoring a series of regional meetings. The first was held at Twin Falls with more than 70 agents and employees from eight counties in attendance. Gerald Miller, assistant manager of Idaho Rating Bureau, and Jack Urry, chief examiner, conducted an open forum on rating problems. John Lyman, General Adjustment

Bureau, discussed loss procedure and methods of reporting losses.

The second conference was at Lewiston, with Oscar Nelson, Coeur d'Alene, vice-president of the Idaho association, in charge.

President John M. Barker has announced committee appointments. Chairmen are: Membership, John McMahan, Pocatello; driver and safety education, Bob Brown, Boise; legislative, W. S. Campbell, Boise; contact, Ted Walrath, Orofino, and J. B. Holden, Caldwell, co-chairmen; by-laws revision, John S. Whitsell, Twin Falls, and Art Ensign,

Hailey; educational, Merle Stonebraker, Lewiston.

Teller Agency Vice-president

Harvey Teller, former general manager of San Francisco's recreation and park commission and for many years head of a large coffee concern at San Francisco, has been elected a vice-president of Insurers General Agencies, organized about two years ago by Beaumont MacLaren, Fred D. Parr and associates. Teller retired from his city commission post last year to devote his time to insurance.



The new Ford Parts Depot at Cincinnati, Ohio, has just been completed under a country-wide expansion program described as "part and parcel of Ford's 'Look Ahead' policy to better serve Ford owners."

A criterion of practicability and efficiency, the Cincinnati Depot employs a combination of ADT Central Station Services to provide complete AUTOMATIC protection against fire, burglary and other hazards. These include: ADT Sprinkler Supervisory and Water-flow Alarm and ADT Burglar Alarm Services.

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CENTRAL STATIONS IN PRINCIPAL CITIES

Scores Diversity in Valuating for Coinsurance

The following letter comes from R. J. Fitzgerald, district manager at Minneapolis for Marshall & Stevens:

"I read with interest your editorial entitled 'Building in Some Coinsurance' in the Nov. 29 issue of THE NATIONAL UNDERWRITER, but I believe you could be of more service to local insurance agents by not being afraid to step on some of the insurance companies' toes.

"The greatest part of our business is appraisals for coinsurance purposes, and we are constantly confronted by questions from agents as to how we arrive at insurable values. The insurance policy tells them nothing because it usually just states 'actual cash value,' which could mean almost anything. Even the

courts of the various states do not agree upon its interpretation. So how is the local agent to know, and in turn advise his client?

"This problem has of necessity forced the agent to solicit assistance from one of the insurance company engineers. This is the point where he becomes more confused than ever. These engineers will tell him that insurable value means replacement cost less depreciation even though it doesn't say so in the policy. Well, let's assume this is correct.

"Using a building for illustration purposes the next step is to calculate the new replacement cost. This can be done with reasonable accuracy. But what about depreciation?

"Some company engineers will depreciate an old building 60% for coinsurance purposes, and others won't go beyond 35% if the building is in operating condition. I have frequently encountered this much spread on one building, and it certainly confuses both the agent and insured when more than

one company man checks the risk. How is either one of them to know which value is correct?

"In discussing some of these problems with the engineers, I find that they follow more or less their company policy. If there is no unanimity of interpretation among the insurance companies, company engineers and adjusters, how can a person rightfully criticize the local agent and property owner for not complying with the coinsurance clause?"

Nebraska Mutual Agents Hold Four Training Clinics

A series of four training clinics was held by Nebraska Assn. of Mutual Insurance Agents on consecutive days at Norfolk, Hastings, North Platte and Scottsbluff. President Chris Rosenberg of North Platte was in charge.

Albert Adams, counsel for Western Mutual, spoke on the law of negligence and Paul Coburn, vice-president of Protective Fire, on business interruption insurance.

Panels on Agency Management

Panels of local agents, assisted by Harold Henning, agency supervisor for Grain Dealers Mutual, and Dave Harnley, assistant secretary of Capital Fire, conducted a study of agency management problems. President Harold J. Requarte of Farmers Mutual was moderator.

The operation of the Nebraska motor vehicle department was explained by Roy Blazek, director, and workmen's compensation was discussed by Don Risch, Omaha general agent.

Cliff Gregory of Alliance, director of National Assn. of Mutual Insurance Agents, talked on mutual insurance.

Joint Meeting at Pittsburg

An educational meeting sponsored jointly by Kansas Assn. of Insurance Agents and the public relations committee of Kansas Fire Underwriters Assn. is scheduled for Pittsburg Dec. 6 with Homer Minnick, Central Surety, as chairman. The program includes "The Open Form Policy and Other Recent Changes" by W. H. Ogren, American, Kansas City; "Bailees and Transportation," C. J. Wintrol, Royal-Liverpool, Wichita; "Garage Liability," J. L. Vorse, Security, Wichita; "The 3-D Policy," A. G. Corry, National, Topeka; "Adjustment Problems of the Territory," D. H. Mizer, Western Adjustment, Pittsburg.

Mich. 1752 Club Elects

LANSING, MICH. — Roger L. Sullivan, Michigan Mutual Auto, Traverse City, was elected president of 1752 Club of Michigan at a meeting here. He succeeds Bruce W. Davis, Detroit. Vice-president is Normal Trebilcock, Badger; secretary-treasurer (reelected for fourth term), George C. Bubolz, Home Mutuals, Lansing; assistant secretary-treasurer, Dale Faux, Shelby Mutual Casualty.

Waldo O. Hildebrand, secretary-manager of Michigan Assn. of Insurance Agents, spoke on legislative matters and other topics of interest.

It was announced that Commissioner Navarre will address the Jan. 17 meeting here.

Seek Optional W.C. Law

John L. Warme of the George W. Rourke agency has been named by President Allender S. Brown of Washington Assn. of Insurance Agents as chairman of a special committee to investigate the possibilities for bringing about enactment of an optional workmen's compensation law in that state. The convention of the state association at Tacoma adopted a resolution calling on the new administration to give top priority to this project.

Insurance Women's Club of Binghamton, N. Y., heard a talk on "Rehabilitation in Industry" by Mrs. Phyllis Malatier, American Mutual Liability, White Plains, N. Y.

New Reciprocal Conceived in Ohio by Farm Bureau

Approved Insurance Exchange is the name of a reciprocal that is in process of formation as a running mate to the Ohio Farm Bureau insurers. Word of this has gotten abroad and is stirring comment among the organized agents due to the fact that agents of reciprocals don't have to be licensed under Ohio law. It is understood that Approved would be used mainly in connection with auto finance business and that there would also be launched Approved Finance Co.

What the agents fear is that auto dealers might thus be enabled to engage in the insurance business and thus escape the formidable licensing barriers that face them otherwise buttressed by court decisions in the General Motors case.

Whatever Ohio Farm Bureau does insurancewise in its home state is of the utmost importance because its Ohio auto premiums amount to about \$25 million.

Cleveland Agencies Merge

Merger of the Gale Co. agency of Cleveland with Cleveland Insurance Agency has been announced by E. B. Berkeley, president of the latter agency.

Ben P. Gale, president, and A. Davis Gale, secretary of Gale Co., will become vice-presidents and directors of Cleveland Insurance Agency, which will take over all of the companies previously represented by Gale Co. All of its employees also will continue with Cleveland Insurance Agency.

Southern Rally March 13

The southern agents conference of National Assn. of Insurance Agents will meet at the Homestead at Hot Springs, Va., March 13-15. Program details have not yet been worked out but the theme will be sales promotion.

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Tribute Paid to C. M. Cartwright by Long-Time Associate

(CONTINUED FROM PAGE 3)

with the Insurance Field in Chicago, and from there to the editorship of the New York Journal of Commerce. He and Cartwright always admired each other. Cartwright commented favorably to me many times on the work Crawford was doing for the J. of C., and Crawford used to tell me on many occasions what a great paper Cartwright was producing each week.

Middle West Background

To have an understanding of C. M. Cartwright, it is necessary to know that he was by birth and experience a mid-westerner; a farm boy, born of Quaker parents, who spent his youth in rural Ohio, went to Princeton, and after that became a daily newspaper man in Chicago. But throughout his life he was essentially a product of the middle west. He never felt completely at home or relaxed and at ease when he was in New York or New England, Philadelphia or Baltimore. The greater reserve and dignity encountered in the east was not entirely to his liking. Chicago was the center of his world. It was comparatively late in his career before he focused the proper attention upon the east.

EASTERN TRIPS

I have always felt that I was at least partly responsible for his realization of what could be done throughout the east in the way of news gathering, the writing of comment articles, and getting in closer touch with the many important home offices that are in the big eastern centers.

As a young man in the editorial department at Chicago I was anxious to make a showing, and to attract greater attention to myself. With this in mind I persuaded C. M. to let me take a trip through the east for the purpose of interviewing any and all from whom I might get material that would make interesting reading. To make my work a little easier, I took a Dictaphone with me. I made calls all day long, went to bed early each night, and then got up at 5 o'clock in the morning to dictate in my hotel room the material that I had gathered the day before.

I averaged about six cylinders a day, and as a result flooded C. M. with material, mostly of a kind he had never had before. He did not realize how hard I was working or how unusual my product was in size, or that I was getting up every morning at 5 o'clock to turn out just as much as possible so as to impress him. Instead, he became convinced through what I sent to him, that the east was a gold mine from an insurance editor's standpoint. After I took my second trip, which was very much like the first one, he decided that he would begin to make eastern trips. From that time on he kept in close, regular touch with the east, and established a larger eastern editorial staff.

Reporter First and Foremost

It is easy and pleasant to praise one who was so widely beloved as C. M. Cartwright, but did he not have, as an editor, some faults and shortcomings? If he did, then in order to get a really rounded picture of him, these should be mentioned.

I do not hesitate to touch upon them, because that is the way he wrote about people himself. He did not believe that everyone was all good or all bad, all black or all white, but that everyone worth writing about had both faults and virtues, contrasts of character that were interesting and often puzzling.

To begin with, he was more newspaper reporter than editor. By this I mean that he got his first training as a daily newspaper reporter on the old Chicago Inter-Ocean. For some years he edited a daily insurance column for that paper. When he began as editor of

the Ohio Underwriter, it was a small, regional paper that published news items almost exclusively. So during all of the early part of C. M.'s career, he was actually a news-gatherer even though carrying the title of editor. His keen sense of news-gathering remained with him all his life. As THE NATIONAL UNDERWRITER became larger and more important, it began to include more editorials and special articles on trends, developments and probable future happenings. In other words, the paper gradually evolved into one providing a complete weekly newspaper service, far beyond the mere publishing of a collection of news items.

I do not want to imply here that C. M. did not develop with the paper, because that is not true. He was in fact the one responsible for its evolution and expansion. But the point is that his greatest personal interest was always in the rounding up and publishing of news. At that he had no equal.

It may seem strange to many for me to say that as a writer of longer pieces and of editorials, C. M. was inclined to

repeat himself somewhat and hence to carry what he was writing to too great lengths. This could be taken to mean that in my opinion C. M. was not a great editor. That is not at all what I mean. Many writers use more words than they need, to convey their ideas, but they are, nevertheless, great writers. The editor who is too concerned with an economy of language, who writes too succinctly, is not because of that a good writer. C. M. had no trouble in making his meaning clear and his readers enjoyed what he wrote and felt it to be good. They were not bothered by its length. Repetition for emphasis and effect was one of the characteristics of much of what he wrote and said.

Disliked Trainer Role

Again, he was not outstanding as a trainer or educator of young reporters. Those who came to work for him had to learn from example rather than by enlightening talks from him. He was too busy and too engrossed with what he was doing to take any amount of time out to train new men. In general, it can

be said that if he decided that his new reporter was one who was, as he would have said, "all right," then his way of training him was to push him along as rapidly as possible. He sent me to many conventions before I was qualified to cover them. He had me make talks of one kind or another before insurance gatherings when I did not have anything of interest or importance to say. He did the same thing with C. W. VanBeynum, now manager of the publicity department of the Travelers, who was one of C. M.'s right-hand men in Chicago for a number of years. He felt that reporters learned by doing instead of by being told what to do.

Perhaps the day of the insurance editor typified by C. M. Cartwright has gone. In the past half century the insurance business has changed and developed enormously. Of necessity, insurance journalism has changed with it. The one-man paper, the editor relying only on the strength of his personality, does not have an important place in today's scheme of things. Cartwright and several of his contemporaries laid the groundwork for the service giving papers of today, most of which do not rely on any one man for their present or future success.

As a generalization it may be said

To Keep Your Business Growing . . .



The Kansas City

Cultivates

Western Business

As a Western agent, you share in the wealth and growth of the West. And as a Western company, knowing that what builds the West builds your business, The Kansas City . . .

- Takes an active part in guiding and encouraging the industrial growth in this area.
- Has many leaders of Western industry and builders of the West on its alert, active Board of Directors.

Count on The Kansas City to help you get more business . . . keep more business.

Morton T. Jones
PRESIDENT



A Multiple-Line Insurance Company

KANSAS CITY Fire and Marine

INSURANCE COMPANY

KANSAS CITY, MISSOURI

that any insurance editor who has risen to prominence and importance has enjoyed to a marked degree the confidence of the insurance fraternity. Certainly Cartwright did. Everyone who dealt with him knew that anything told to him in confidence was kept confidential. He betrayed no one's faith in him. He never had to make excuses for "mistakes" or lapses of memory. He was trusted and respected for his honesty and integrity. He was looked upon as being unfailingly reliable.

Who that knew him, all or most of his business life, can have anything but profound admiration for the courage, fortitude and patience that he exhibited during his last difficult years? Extremely active during all of his working life, he began to be slowed down

about 1943 or so by reason of cataracts developing in both eyes. He had an operation performed on one eye, which was a failure, and so he lost the sight of that eye. After waiting for a year or more, the second operation was performed, and it too was a failure, resulting in complete blindness. After that he was, of course, unable to continue any business activity. During the last two or three years his life was most restricted and his physical and mental powers waning.

It is the few years prior to 1947 during which I feel that he showed the greatest strength of character. His vision was definitely declining. After a time he was not able to read anything that he dictated. He could not recognize those who came into his office except by the sound of their voices. He would approach someone's desk in the office and have to be told that the person he thought he was talking to was not there.

The darkness was closing in on him, but he did not give up. He continued to make the rounds, not only of the offices in the Insurance Exchange building, but of all the buildings in the loop district of Chicago that housed insurance offices. Finally it became dangerous for him to be on the street, because he could not discern traffic. He gave up only when his life was actually in danger by reason of his being on the streets alone.

During all of this time no one ever heard him utter a word of complaint. He did not indulge in self-pity. He did not say as so many do; "Why did this happen to me? What have I ever done that such a thing should come upon me?" or anything of that kind. He never indicated that anyone should feel sorry for him or sympathetic of his condition. He discouraged or cut off any talk of that kind. To the very end he did not permit himself to cry out against the cruel fate that shrouded his world in darkness during his last difficult, dismal years.

Wright Coined Expression

Those with long memories may recall H. E. Wright. He was a colorful personality, one of the best business producers THE NATIONAL UNDERWRITER ever had. He died in 1929, but in his day he was effective, widely known and unique. During an advertising interview he would, when he thought the right moment had arrived, say suddenly, "Let me ask you a question. Does C. M. Cartwright mean anything to this business?" The reply would usually be something like, "Why yes, he certainly does." Upon getting some such affirmative answer, Wright would then say, "All right then, why don't we fix this up?" For years Wright's question, "Does C. M. Cartwright mean anything to this business?" was a household expression among those of THE NATIONAL UNDERWRITER.

To bring this discursive and I am afraid inadequate description to a close, I do not think it is inaccurate to say that C. M. Cartwright certainly did mean not just something but a great deal to the insurance business. He was a helpful constructive influence. When he finally laid down his pen for the last time he had the satisfaction of knowing that his kind of editorship, his honesty of purpose, and his unfailing integrity had contributed importantly and permanently to both insurance and insurance journalism.

C. M. Cartwright, 82 Dies at Evanston

(CONTINUED FROM PAGE 3)

master and could introduce a long list of head-table guests, with a little personal reference about each one, without ever consulting notes or his program. As a speaker, he was informal and friendly in his delivery. He could be earnest without ever being pompous. Anyone hearing him for the first time was likely to be deceived, for his procedure was to start off in an apparently unorganized way. But presently the listener found himself captivated as Mr. Cartwright got into his talk. Even when called on with no advance notice, his great background of insurance knowledge and his quick wit enabled him to discuss the topic assigned in an interesting and sparkling way.

Remembered for Insurance Luncheons

One of the outstanding features of the years prior to his retirement in 1947 was his chairmanship of the monthly insurance luncheons at the Union League Club of Chicago. Not only were there speakers to be introduced but various insurance notables as well. Even though in the years just before he retired he was unable to see those whom he was introducing or to read notes or memoranda, he carried on despite this handicap.

When THE NATIONAL UNDERWRITER was split into two editions, one for fire and casualty and the other for life, Mr. Cartwright accelerated the extension of his contacts with the rapid expansion of all branches of the insurance business. He began making regular trips to the east, particularly New York City. He made a special point of being in New York City in December for the insurance commissioners' meeting and the convention of the Assn. of Life Insurance Presidents, now the Life Underwriters Assn. of America.

Established New York Office

Mr. Cartwright saw the importance of establishing additional news sources and set up a full-fledged editorial office in New York City. He made influence of THE NATIONAL UNDERWRITER felt in the east, not only by what was printed in the paper but by his personal contacts with eastern insurance people. They obtained the same favorable impression of him that prevailed in the middle west.

Mr. Cartwright's last major contribution to THE NATIONAL UNDERWRITER was in connection with getting out the 50th Anniversary edition in the spring of 1947.

He took charge of this, deciding what was to go into it, which articles were to be contributed and which would be written by the staff. The result was not only an extraordinary edition but a magnificent tribute to Mr. Cartwright himself. Nearly four dozen companies devoted their entire advertisements to a mention of or tribute to him. Others were obtained because of the high regard in which Mr. Cartwright was held all over the country.

Active in Civic Affairs

Active in Evanston civic affairs, Mr. Cartwright was for many years president of the Public Library Board, and was secretary of the Evanston Community Recreation Assn. He was a member of the American Library Assn.'s committees on retirement funds and pensions and on insurance.

Many insurance leaders from the mid-west were present at funeral services for Mr. Cartwright in Evanston. He was buried at Memorial Park cemetery just west of Evanston.

Mrs. C. M. Cartwright, who survives, is well known among insurance people, having accompanied Mr. Cartwright to many conventions.

Mr. Cartwright's son, Levering, is executive editor of THE NATIONAL UNDERWRITER. A brother John O. Cartwright, was circulation manager until his retirement nearly two years ago.

A.F.I.A. Holds Annual

American Foreign Insurance is holding its annual meeting Thursday at New York City.

Several field men are scheduled to report on their respective fields, including Harrington Putnam, Brazil; R. H. Chapman, Jr., Colombia; Frank J. Tomlinson, Chile; T. B. Brown, Jr., India, and George Bernique, Morocco.

Reelect Lloyds' Chiefs

Matthew W. Drysdale has been re-elected chairman and Walter Barrie re-elected deputy chairman of London Lloyds. This will be Mr. Drysdale's fourth term as chairman.

WANT ADS

Rates \$13 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline 5 P. M. Monday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.
THE NATIONAL UNDERWRITER
FIRE & CASUALTY EDITION

WANTED

Assistant to Manager Special Risk Dept. (direct writing casualty company). Must have thorough casualty underwriting experience and a flair for selling to large risks. Reply to Personnel Dept., Manufacturers & Merchants Indemnity Co., 35 E. Seventh St., Cincinnati 2, Ohio.

TABULATING DEPARTMENT SUPERVISOR

Unusual opportunity available to a man capable of supervising a 3,000 point installation in a western department insurance company office. Experience in preparing casualty statistical information helpful. In reply give full outline of your experience and personal history. Replies confidential. Address J-19, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

SUPERVISING ADJUSTER WANTED

For western department of large fire company. Prefer college educated with about ten years Fire and Marine loss adjusting experience. Age 35 to 45. Office and traveling duties. Beginning salary \$8,000 to \$7,000. Address H-99, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

EXCEPTIONAL OPPORTUNITY IN KANSAS FIELD WITH LARGE NATIONAL MULTIPLE LINE INDEPENDENT STOCK COMPANY. IT IS WORTH LOOKING INTO.

Address J-14, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

WANTED

Casualty underwriter, experienced in rating and preparing all kinds of casualty policies and endorsements. Very pleasant working conditions, fine employee benefits, excellent salary. Age limit 30 to 35. Address J-21, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

AVAILABLE EXPERIENCED CLAIM ADJUSTER

Seven years experience in automobile, casualty and workmen's compensation claims. Lawyer. Prefer central Illinois. Married—age 52. Address J-22, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

AVAILABLE

Experience fire and casualty man available for responsible field position in January. Skilled in management or operations. Twenty years with one employer. Old enough to be conservative. Young enough to be aggressive. Now residing mid-west. No geographical limitations. Address J-25, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Are You Getting the Additional Business?

Yes, there's more business to be had. And it's all yours because it comes from your own customers. It's the additional business that comes as present policy-holders increase their coverage to keep pace with today's building costs. Our national advertising emphasizes the importance of bringing insurance coverage up to 1951 values. Have you reviewed your customers' policies with them lately?

THE PHOENIX CONNECTICUT GROUP OF INSURANCE COMPANIES

The Phoenix Insurance Co.
The Connecticut Fire Insurance Co.
Equitable F. & M. Insurance Co.
Minneapolis F. & M. Insurance Co.
The Central States Fire Insurance Co.
Atlantic Fire Insurance Co.
Great Eastern Fire Insurance Co.
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Executive Office: Hartford 15, Conn.

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THE NEW ZEALAND INSURANCE COMPANY LIMITED

William M. Houston — United States Manager

United States Head Office — San Francisco — since 1875

FIRE — MARINE — CASUALTY — AUTOMOBILE

"SERVICE BEYOND THE CONTRACT"

NEWS OF FIELD MEN

Mich. Field Men Hear Talk by J. A. Navarre

Commissioner Joseph A. Navarre was the principal speaker at a luncheon arranged by the public relations committee of Michigan. The luncheon followed a field club meeting at Detroit.

John A. Butterick, administrative assistant to Mr. Navarre; W. O. Hildebrand, secretary-manager of Michigan Assn. of Insurance Agents; Clyde R. Morrison, secretary-manager of the Detroit association, and Raymond L. Jennings, American, president of Michigan Fire Underwriters Assn., also spoke briefly in support of public relations activities in Michigan.

Richard H. Talcott, National Union, chairman of the arrangements and speakers committee, announced that the next meeting, at Detroit, Feb. 7, will be centered around an agent giving his "Impressions of Field Men" and field man relating his "Impressions of Agents."

Kenosha, Wis., Is Inspected

A two-day inspection of Kenosha by the Wisconsin Fire Prevention Assn. was sponsored jointly by Kenosha Assn. of Insurance Agents. Roy L. Nicholson, Milwaukee, retired state agent for Springfield F. & M., was the speaker at the dinner, attended by 200.

Baer Made Wash. Special

Pacific National Fire has appointed Robert C. Baer Washington special agent with headquarters at Seattle, succeeding Robert C. Lindberg who has joined Monarch Life of Massachusetts as a general agent in Oregon.

Mr. Baer started in the business with Guarantee at Los Angeles in 1941. He

returned to that company after service with the Marines and following several years as a field man with Springfield F. & M. joined Seeley & Co. at Seattle as special agent. He has been with Pacific National since 1950.

Moore to Succeed Booker for Crum & Forster in Va.

Elliott R. Booker, Virginia state agent for Crum & Forster, will retire under the company's pension plan Jan. 1. He has served Crum & Forster in Virginia for more than 40 years.

Lindsey Moore has been appointed to succeed Mr. Booker. He has been with the company nearly 24 years, serving in the Virginia-Carolina underwriting department and in the North Carolina field for 20 years. He went to Virginia as special agent in 1950.

Fire Assn. Shifts Hall

Frederick C. Hall, special agent in Kansas, is being transferred to western Missouri as special agent in charge for Fire Association, with headquarters at Kansas City. He succeeds Robert Nelson, resigned.

Mr. Hall completed the company's field training course before beginning a special training assignment in building valuation work.

Liberal Luncheon Sets Record

Attendance of 165 at the luncheon meeting in connection with the inspection of Liberal by Kansas Fire Prevention Assn. was the largest ever recorded at a Kansas inspection meeting. George Gow of radio station KANS, Wichita, which has won the gold medal award of National Board for two years, spoke at the luncheon and the schools. Nick

Kleber, Phoenix-Connecticut state agent, Wichita, also appeared before the schools and the Chamber of Commerce luncheon.

Inspections of Marysville for January, Leavenworth for February, Hiawatha for March and Hays for April have been tentatively scheduled.

Dokmo Tenn. Special Agent

St. Paul Fire & Marine has appointed James A. Dokmo special agent in Tennessee with headquarters at Nashville. He replaces Fred E. Shellman, recently transferred to the Rocky Mountain field.

Breeden in Oregon Field

American has appointed William H. Breeden special agent in Oregon. He succeeds William E. Norby, who has been assigned to the eastern Washington field at Spokane.

Mr. Breeden is a graduate of American's home office training school and has had four years of company and agency experience.

Mitchell to National Union

David M. Mitchell has been appointed state agent in Oklahoma for National Union Fire, to succeed Jesse E. Murray, Jr., who resigned to go with U. S. F. & G. as state agent.

For several years Mr. Mitchell has been assistant to Tom E. Earp, present state agent of F. & G.

American Names 2 in Ill.

American has appointed two new Illinois special agents, James Hunt will travel northern Illinois, assisting Special Agent James Brower, and Paul Lensing northeastern Illinois, assisting Special Agent Leo N. Davis.

Mr. Hunt has been with the company for nearly a year and a half, and has had experience in the western farm and fire underwriting departments. Mr. Lens-

ing, a marine veteran, has been with the western underwriting department. Both men have completed the advanced multiple line training course at the home office.

Carver Joins U. S. F. & G.

Philip P. Carver has been appointed Maine special agent by U. S. F. & G., with headquarters at Portland. He will be responsible for servicing fire and allied lines, and will also assist Special Agent Arthur E. Cooper on casualty matters.

Mr. Carver formerly was with the George W. Perry agency at Presque Isle, Me. He has had 14 years' insurance experience.

Defer So. Cal. Amendments

Southern California Fire Underwriters Assn. at its meeting Monday at Los Angeles took up the proposed amendments to its constitution relating to changes in eligibility for membership but laid them over until the January meeting for greater clarification.

Loyd S. C. Special Agent

Commercial Union has appointed J. D. Loyd, Jr., special agent for South Carolina, with headquarters at Columbia. He succeeds Robert N. McLellan, who has taken another position.

Mr. Loyd is a graduate of University of South Carolina and a navy veteran, and has had several years' experience in insurance.

W.U.A. Film at Columbus

The W.U.A. film, "Introducing the Policymen," will be shown at the Dec. 11 meeting of the Ohio Fire Underwriters Assn. at Columbus. W. G. Dithmer, assistant manager of W.U.A., will introduce the film. Members of the Ohio department and of various agents' and company organizations will attend.

REINSURANCE

FIRE and ALLIED LINES

PRO-RATA AND EXCESS OF LOSS



INTER-OCEAN REINSURANCE COMPANY
CEDAR RAPIDS, IOWA

NEW YORK 90 JOHN ST.

MARINE

Ocean Marine Competition Keen, Some Rates Down

Ocean marine underwriters report competition in that field currently is very keen. Exports and imports have declined somewhat and there is a brisk effort to keep up premium volume. At the moment, the situation is not critical, but some observers believe it is a trend which will get worse before it gets better.

An example of the way rates have been hammered down is the 15 cents per \$100 now being charged in the American market for shipments of coal to French Atlantic ports. This is cheaper than the same cargoes are being written by the London market, where the rate currently is 20 cents plus a collection charge, etc., which makes it run around 22½ cents. On a \$250,000 load plus freight, it takes a lot of premium packages of \$375 each to pay for one sinking.

Underwriters fear that the rates may go too far down and then have to go up sharply, which may place the customer in a bad position at a future date. For

example, if rates on coal should go from 15 cents or less, to 40 cents the shipper's pricing pattern would be suddenly much out of gear.

Taylor, Fowler to Chicago

Dale E. Taylor and Henry M. Fowler have been transferred to the midwest division at Chicago by Atlantic Mutual.

Mr. Taylor joined Atlantic in 1938 and has since been engaged in cargo underwriting. He will become assistant general manager of the midwest division. He has been assistant secretary at the home office. Mr. Fowler joined Atlantic in 1946 and has served in the cargo and hull departments at the home office. He will supervise hull underwriting at Chicago.

McCurry Group Hears Mackowski

J. J. Mackowski of the marine department of Atlantic Mutual spoke at a Detroit staff meeting of McCurry Reporting Agency on "Inland Marine Inspection Reports."

He told the inspectors what he, as a marine underwriter, looks for in an inspection report and also stressed underinsurance which, at times, is the result of discrepancies between the real

values and exposure as against the schedule information which confronts the underwriter.

Seattle Marine Men Meet

Robert Carter, ocean marine manager of General of Seattle, and Garrett Horder of Horder, Jacobs & Speck, brokers, spoke on the historical background of marine insurance and gave a resume of the marine insurance provisions of the Washington insurance code at dinner meeting of Marine Insurance Society of Seattle.

The 25-Year-Club of W. H. McGee & Co. met at New York City and inducted four new members, bringing total membership to 28. A special feature was the celebration of Herbert Schilling's 40th anniversary.

LaBonte Joins Holt & Co.

Charles N. LaBonte has resigned from General Adjustment Bureau at Albany, N. Y., to become manager of the automobile department of Harold Holt & Co., independent adjusters there. He has been with G.A.B. since 1937.

Holt & Co. recently opened a branch office at Glens Falls.

COMPANIES

J. L. Sergeant Coast Secretary for Glens Falls; Others Raised

Glens Falls has made several changes in its Pacific Coast department, advancing John L. Sergeant from assistant secretary to secretary succeeding R. Lynn Colomb who on Jan. 1 will join Industrial Indemnity in an official capacity. Mr. Sergeant will directly assist Vice-president R. H. Griffith.

Arthur M. Colomb, superintendent of the bond department, and John A. Sinclair, superintendent of the fire underwriting department, have been named assistant secretaries. They will continue their usual duties as well as assist with general administrative work. Karl F. Glasbrenner has been promoted from assistant manager to manager at Los Angeles.

Started at San Francisco

Mr. Sergeant started in the automobile department at San Francisco in 1929. The following year he was appointed casualty underwriter for Glens Falls Indemnity, and in 1945 was made associate manager of the metropolitan department at San Francisco. In 1946 he became superintendent of the casualty underwriting department and was elected assistant secretary last August.

Mr. Sinclair went with Glens Falls in 1923 as an examiner at San Francisco. He later became general office manager, and in 1947 was made superintendent of the fire underwriting department.

Arthur Colomb started in the casualty department at San Francisco in 1930. Two years later he was transferred to Los Angeles as a special representative of the bond department. In 1936 he was appointed superintendent of the Pacific Coast bonding department.

Mr. Glasbrenner joined the company in 1936 as a special agent at Los Angeles. He was named assistant manager there in 1946.

Garvie, Solly Directors

Vice-president Robert S. Garvie and Treasurer David A. Solly, Jr., of Aetna Fire, have been elected directors. Mr. Garvie has been with Aetna since 1923. He was elected assistant secretary in 1933 and vice-president in 1940. Mr. Solly joined Aetna in 1937. He was elected assistant treasurer in 1941 and treasurer in 1950.

T. R. Hires Now Asst. V.-P.

T. Russell Hires has been appointed assistant vice-president of American Reinsurance and of American Reserve. He has been assistant secretary of American Reinsurance for six years.

CHICAGO

ROOS BACK FROM TRIP ABROAD

Bernie W. Roos, vice-president of Associated Agencies of Chicago, and Mrs. Roos have just returned from a trip abroad. They visited Casablanca, Frankfurt, Geneva, London and Paris, traveling mainly by air.

REUTTER MADE VICE-PRESIDENT

Carl J. Reutter has been elected vice-president of W. A. Alexander & Co., of Chicago. He has been assistant vice-president. He takes on additional duties in the special risk department. He starts

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MacNICHOLAS JOINS JAMES

L. R. MacNicholas has joined Fred S. James & Co. at Chicago to take charge of reinsurance, excess and Lloyds business. He has been with Alexander & Alexander in New York and Chicago for 19 years. More recently he has been vice-president of Jones & Whitlock, heading the Chicago office. He attended New York university and Columbia.



L. R. MacNicholas

ROOS JOINS SCHIFF, TERHUNE

Harold T. Roos, former vice-president of the All-Risk agency at Chicago, has been appointed production manager for Schiff, Terhune at Chicago. Mr. Roos entered the business in 1927 and has been in Chicago with Globe Indemnity, Associated Agencies, Massachusetts Bonding, and Accident & Casualty.

The Chicago Insurance Accountants Assn. will hold its Christmas party Dec. 6 at the Midland Hotel.

NEW YORK

PHOENIX VETERANS MEET

More than 150 Phoenix-London employees with 25 or more years of service were honored at the annual dinner and dance of the Quarter Century Club at New York City. Total membership is now 283.

Brief talks were given by H. Lloyd Jones, U. S. manager; J. R. Robinson, deputy U. S. manager and retiring president of the club, and W. B. Lutz, past president of the club. Officers elected were Irwin R. Hofrath, president; August Magsamen, vice-president; Howard Borst, secretary, and Anna Kramer, treasurer.

F. W. RICHTER TO RETIRE

F. W. Richter, superintendent of the New York city brokerage department of Hartford Fire, will retire at the end of the year at his own request. Arthur Johnson, assistant superintendent, has been appointed to succeed him as of Jan. 1.

A Memorial mass for James J. Hoey, who when he died in 1941 was head of the Hoey & Ellison Agency and collector of internal revenue, will be celebrated Dec. 14 at St. Patrick's Cathedral, New York City.

New Manual for Fla. Exam

The Florida department has prepared a question and answer book for license applicants. The book is divided into three sections covering agents' qualifications and other information regarding the functions of the department and definitions of insurance words; questions and answers for agents and solicitors covering all lines of fire, casualty, surety and A. & H.; and a section for adjusters.

The department examinations will be revised and future questions in substance will be taken from this book, which is available from the department at \$2.25 a copy.

Suspends 2 East Gary Agents

Commissioner Viehmann of Indiana has suspended the agents' licenses of Harold F. Steinhagen and Kenneth W. Comstock, both of East Gary, for collecting and diverting to their own use overcharges on fire policies.

The men have admitted the overcharges, and one of them has engaged

in the practice for two years, the commissioner said. The agent's license of Comstock's wife, Mrs. Verna Comstock, also was suspended. A formal department hearing will be held Dec. 12 at which the men are to show they have refunded the excessive premiums. The insurers had no knowledge of the practice, Mr. Viehmann said.

The commissioner said that for a \$1,000 household goods insurance policy with an annual premium of \$5 they would collect \$2 a month. The \$5 would be turned over to the company less their commission.

Garden City Board Elects

New officers of Garden City (Kan.) Insurance Board are Everett Miller, Weldon-Miller Land & Investment Co., president, succeeding Charles Schoonover, Jr.; vice-president, Paul Masoner, Garden City Loan & Investment Co., and secretary, Dora E. Long.

Consider Lapeer Grand Jury

LAPEER, MICH. — Joseph A. Moynihan, Michigan's presiding circuit judge, has agreed to appoint a judge to investigate the 17-year-old receivership of

Lapeer Farmers Mutual Fire. No judge has been designated as yet, however, and no date for the hearing set. The state administrative board at Lansing also recently agreed to look into any phases of the case not adjudicated by the courts. Some former members of the association have been fighting assessments throughout the years and accusing officers and receivers of fraud.

Wehrle Resigns W. Va. Post

Roy M. Wehrle has resigned as deputy commissioner of West Virginia to become assistant vice-president of Republic National Life's reinsurance division. Before joining the department he was with George Washington Life, rising to director of agencies, and West Virginia manager of Pan-American Life.

Aetna N. Y. Marine Shifts

Aetna Fire has appointed David A. Arnott ocean marine manager of the New York metropolitan department. He will succeed John F. Purcell, who has held this position for many years and is retiring because of ill health. Mr. Arnott has been Mr. Purcell's assistant

for some time and will now have charge of both hull and cargo underwriting. Charles Shepherd has been added to the marine staff as ocean marine underwriter. He has had several years' experience with another company.

With the increase in inland marine business in the New York area, that department has been divided into two sections. Harry A. Warden will be in charge of inland marine agency production and T. J. Stumm in charge of brokerage business.

Advance Fortman at Boston

Clemens A. Fortman has been named superintendent of agencies in New York, excluding the metropolitan area, and in northern New Jersey, for Fireman's Fund, with headquarters at Boston. He started with the company as special agent in central Pennsylvania and New Jersey in 1939 and in 1950 was named superintendent in Boston of the production department.

Bankers F. & M. of Birmingham and American Title of Miami have been added to the company lineup of Bates, Lively & Pearson, Portland, Ore., general agents.

A ONE MAN "FIRE ENGINE"

—the Kidde Wheeled Dry Chemical Extinguisher

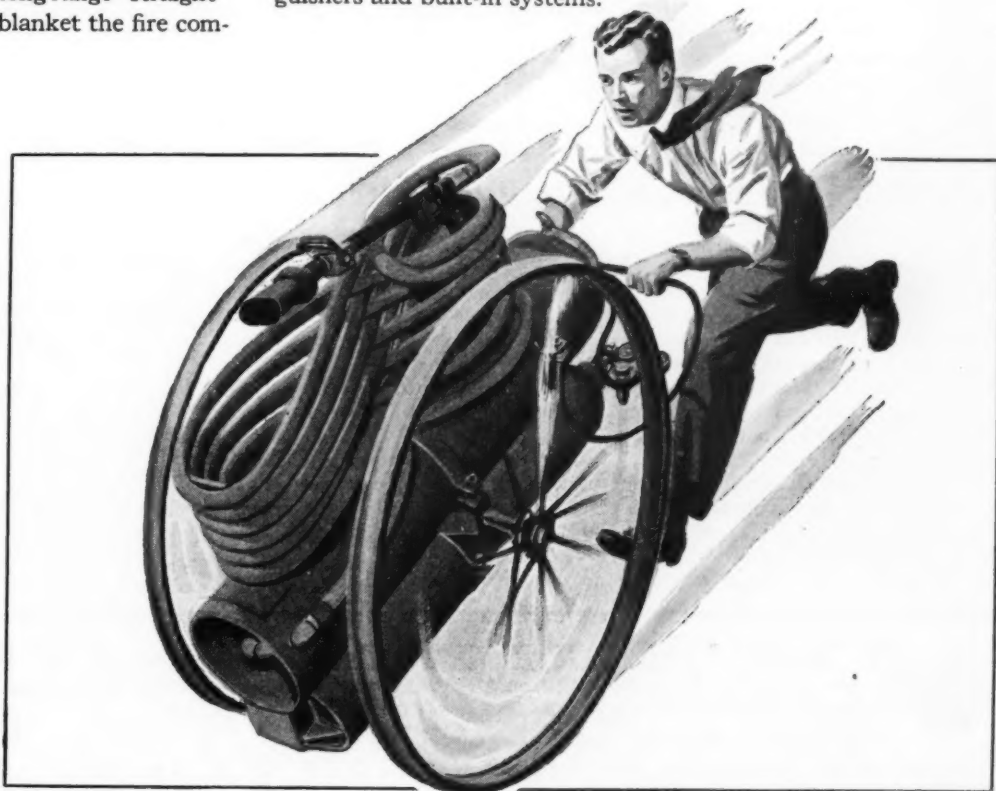
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EDITORIAL COMMENT

Good Subject for Research

One interesting item in the report of the all-industry committee on motor vehicle accident problems was that a study is being made of the gap between insured and uninsured motorists. Assn. of Casualty & Surety Companies will do the job with its headquarters staff.

This is a significant project. It is hard to find the best possible solution to the problem of the uninsured motorist who is involved in an accident he cannot pay for, and the economic loss suffered by his victim, without knowing pretty specifically what the problem is.

It is comparatively easy to determine the dollars and cents area of the uninsured gap. This can be computed by taking earned premiums for automobile bodily injury along with incurred losses, on the insured portion of the motoring population, and figure out the uninsured dollar loss.

This is not, however, all that is needed. There seems to be no way to get an up-to-date current figure on the number of insured motorists. This figure is estimated at 90 to 94% in New York state. For any state, after the stringent financial responsibility law is put into effect and the first bulge of new insured is over, one guess is that total insured motorists increase 2 to 3% a year. A question about insurance on the application for M.V. registration would produce a reasonably accurate figure.

But in the area of the economic loss of uninsured accidents there is much that is more difficult to learn. Presumably lack of fault would exist in the uninsured segment to about the same extent as it does in the insured segment, so that figure might be determined. Settlements out of court are almost im-

possible to learn except by a fine-toothed investigation. There is also the imponderable of what the settlements would have been if insurance had been there. If a non-insured's case is judgment proof, the question of fault might never be determined.

If an insured is judgment proof and suit is not instituted, there is no accurate way of measuring the economic cost of the uninsured accident. There is a difference between the so-called economic cost as it might be determined by actual outlay of expense and a scientific measurement of life expectancy times earnings of the fatally-injured person, and the economic cost as it is paid by insurers. This is because the very presence of insurance (or substantial money of any kind) affects what is asked by plaintiffs and their attorneys and what is awarded by juries and upheld by judges. This is an imponderable that is going to stay that way.

In one sense, the whole question of compulsory is another case of offsetting the misdeeds of 10% of the population by imposing on the responsible portion additional burdens or a way of doing things that is more onerous. In this case, as so often happens where the effects of the 10% are "cured" by legislation, the church-goers must assume the responsibility for the sins of the undevout.

The accelerated madness on the highways since Korea has sharpened the clamor about the uninsured motorist, and research should shed needed light on a subject that has been so much in the area of pure opinion in recent months. It is the kind of research, not directly in but impinging significantly on the business, which insurance could well do more of.

If Good, Why Not Sell Enough of It?

There are so many arguments for getting insurance up to the value of property that to mention them is to repeat what already has been heard from insurers, appraisal companies and others even less directly connected with the problem. Yet there is a timeliness to the matter that makes it essential to restate the problem until it is substantially solved.

The most persuasive item is that many properties remain underinsured. This is true in the commercial field, with business interruption values and fidelity risk, to mention two. But it is notably

so in the dwelling and household furnishings area, where the number of properties—and people affected—is quite large. Here the need of doing a good job is most apparent because it is where basic public attitude is fixed; it is where the real test is met of the ability of the business to cope with the insurance function when it involves a huge volume broken up into units so small as to be uneconomic to handle, or almost so. It is uneconomic because there is serious underinsurance.

The present economic atmosphere may not continue, is very apt not to continue,

indefinitely, unchanged. Agents stop losing money on the too small unit of insurance by increasing it. And insured who has a total or heavy loss will not experience the heartbreak of having to absorb a large part of it himself—often without having the money in purse to do so.

As one veteran fire insurance man put it, the agent had better get on record with insured as to insured's need of more protection. Tests have shown that nine out of ten will respond. Agents who are troubled with rising costs and the loss to them of processing small policies, can get most of them out of the red in this way. It is no solution to raise commissions—that means the agent takes a larger amount out of the same small premium. It would mean very little more if minimums were increased. This course would drive business into companies that sell on a price differential. Increasing insurance to the proper level is the only way to make rating fully effective because underinsurance defeats any rating approach and rating becomes purely theoretical and unreal.

If the agent believes that insurance is good, he should see that his customers get enough of it.

Many agents are doing exactly this.

One experiment now is proving highly successful for an insurer. It has been able to get quite a number of its agents to follow this procedure:

The agent gets a scale from an appraisal company that shows how much dwelling property values in the community have increased in the last several years. If the insurance has not been changed in five years, say, the agent applies the value increase factor to that particular property and puts on the additional coverage indicated. He sends insured the renewal on that basis, with a letter pointing out that "we know your neighborhood and insure others there. Values in the area are much higher than is reflected in the insurance on your property." In more than 90% of the cases, the increase sticks. Agents even receive thanks from some insured.

Some agents are following a similar idea on household furniture policies. They secure exhibits or statements by competent appraisal companies showing that the average room in a dwelling today will cost so much to replace, around \$1,000, and apply this to insured's amount of cover.

There are other ways, perhaps more effective ways, to do it. Whatever the means, it ought to be done.

PERSONAL SIDE OF THE BUSINESS

Frank Viehmann, the Indiana commissioner, over the week end had a reunion with his navy officer son while at New York for the commissioners' convention. The son is Lt. (j.g.) F. Joseph Viehmann, who is an Annapolis graduate of 1947 and who is now in the submarine service stationed at New London.

Walter Robinson, insurance director of Ohio, and August Pryatel, Ohio deputy, took in the Army-Navy game at Philadelphia en route to the N.A.I.C. meeting at New York.

Joseph C. Selz, marine manager at Seattle for Home, is convalescing following a major operation. He is well on the road to recovery and is resting at home.

group traveling out of Salt Lake City and covering Utah and southern Idaho.

In the story reporting the annual meeting of Missouri Assn. of Insurance Agents, the new president, James V. Corrigan, was mistakenly identified as being from Cape Girardeau. Mr. Corrigan hails from Poplar Bluff, and at the age of 37 is the youngest president in the association's 52-year history.

John A. North, president of Phoenix of Hartford, has resigned as chairman of the Connecticut Citizens' Committee for the USS Tarawa. Last spring, Connecticut adopted the crew of that aircraft carrier and the governor named a committee to help the state live up to its responsibility. Mr. North resigned because of "pressure of business duties."

Dismissed from the hospital in his home town of Newport, Commissioner M. O. Allen of Tennessee has returned to his office at Nashville after 10 weeks absence from an illness never completely diagnosed.

Much interest at the N.A.I.C. meeting at New York centered on Bernard Stone, Nebraska insurance director, since the newspapers in his home state have been speculating on the possibility that he may be named to the vacancy at Washington caused by the death of U.S. Sen-



Loren H. Laughlin, who recently was appointed assistant director of insurance of Nebraska. He will become director on Jan. 1, succeeding Bernard R. Stone.

Tudor Jones, Jr., son of Tudor Jones, vice-president of the Aetna Fire group, and Sally Gill were married recently and have just returned to Salt Lake City after spending their honeymoon in the east, two weeks with his parents in Hartford. While on his honeymoon Tudor, Jr., received word he had been made a special agent of the St. Paul

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tor Wherry. The appointment would be for one year. There is no one closer politically to Gov. Peterson of Nebraska than Mr. Stone.

DEATHS

ROY B. RUMMAGE, 65, Arizona insurance director, died suddenly at Phoenix. He was stricken early Saturday morning and died shortly afterward at the hospital.



Roy B. Rummage

Mr. Rummage had been head of the Arizona insurance department since 1937, in 1945 being appointed director for a term of six years under a new law creating a separate insurance department in the Arizona corporation commission. Mr. Rummage taught school in Kentucky and Oklahoma until moving to Arizona in 1914, and then for three years was with the postoffice at Tempe as a mail carrier before retiring for 11 years because of ill health. In 1928 he became a public accountant and later was in the Maricopa county recorder's office. He went with the insurance division in Arizona in 1933, becoming director four years later.

Harry Nason, Arizona deputy, was attending the N.A.I.C. meeting, but flew home on receiving word of Mr. Rummage's death.

WILLIAM J. WELSH, JR., 26, associated with the Mann, Kerdolff, Kline & Welsh agency at Kansas City, died at the Hahnemann hospital in Philadelphia—where he had recently undergone surgery to correct a heart condition. Mr. Welsh was the son of William J. Welsh,

a member of the firm. Death was the result of perforation of a "Cushing" ulcer of the stomach, which is known to be caused in rare cases by operations. The heart operation had been performed successfully, but Mr. Welsh collapsed about 28 hours later. Young Mr. Welsh had joined the agency in 1949 following graduation from the University of Missouri. He was a marine veteran.

Joseph Greenberg, who died recently, was manager of the insurance department of H. A. Wolf Co. of Omaha. His age was 58. His son, Barton H. Greenberg, is with the Wolf agency.



FRED C. PHILLIPS, 54, manager of Federal Life & Casualty at Erie, Pa., died there.

HAL E. CRUM, secretary of Republic of Dallas, died. He joined Republic in 1941 and organized its inland marine department. He was elevated to secretary in 1946.

MRS. ELLEN BARRY, who died at her residence at Brooklyn at the age of 87, was the mother of J. R. Barry, president of Corroon & Reynolds. She had occupied the Brooklyn home 54 years. She was born at Brooklyn.

HERMAN FERRY, who for many years headed his own independent adjusting firm in New York City, died at his home in Brooklyn. Though able to be at the office from time to time he had been in poor health for about a year. He had been in the adjusting business about 20 years, specializing in adjusting automobile losses.

STANLEY RAND, SR., 66, manager of the insurance department of Remington Rand, New York, died in Greenwich, Conn., where he lived. He was with the company 25 years.

WILLIAM CROWELL, veteran independent casualty adjuster of Oakland, Cal., died after a long illness.

JOHN L. PEACOCK, 84, retired local agent at Tiptonville, Tenn., died there.

HENRY B. COWAN, 81, local agent and former mayor of Shelbyville, Tenn., died after an extended illness.

CARL W. LOHNES, 50, for 20 years a local agent at Schaghticoke, N. Y. died.

ABRAHAM ROSSMAN, 66, who operated General Insurance & Realty Co. at Milwaukee for 35 years and also represented Lincoln National Life died after a heart attack.

GUY C. LINDOW, 71, who operated a local agency at Shorewood, Milwaukee suburb, for many years, died after a stroke.

Portrait of North America's First President Discovered

North America has brought to a successful conclusion a 30-year search for a portrait of its first president, John M. Nesbitt. The company, since it established its museum to house its collection of historical fire insurance items, has been endeavoring to have a picture of its first president in the collection.

The portrait, which was uncovered after tracing the background of a volunteer fire-fighter's horn, is by Robert Field, a famous colonial painter whose subjects also included Washington, Jefferson and Hamilton.

Fine Four for Commingling

Superintendent Bohlinger of New York has fined four brokers for failing to keep their clients' premiums separate from other funds as required under the insurance law. The superintendent imposed \$50 fines on Louis Greenstein, Richard P. Boyce, and William F. Gaffney. Leonard A. Goldstein was fined \$25. All are from New York City.

Mr. Bohlinger has also revoked all licenses issued to William F. Noll of Patchogue, N. Y., on the grounds that he was found, after a hearing, to be incompetent and untrustworthy within the meaning of the insurance law. Noll was charged with having failed to remit premiums collected by him.

N. Y. Firm Asks Receiver for Mid-West of Indiana

INDIANAPOLIS—A petition has been filed with Judge John L. Niblack of superior court to appoint a receiver for Mid-West Ins. Co., an Indianapolis firm under inquiry by the insurance department. Julian Bamberger, attorney for the Bob Walters Candy Co. of New York, filed the suit alleging that Mid-West is unable to meet its obligations and is in "immediate danger of insolvency."

Bamberger said a New York superior court last month ordered a \$5,026 judgment against the company but that it has not been paid. The attorney said he understood the judgment was on property insurance coverage.

Mid-West has been accused by Commissioner Viehmann of failing to report its financial assets to the department. It has contended it is exempt from the requirement because it was chartered by the Indiana legislature in 1832 to do business in this state.

this means **TROUBLE!**

Many types of manufacturers making different kinds of equipment can face a situation similar to the one illustrated here. As an example, trouble is indicated when the sprinkler manufacturer asks—

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New Scrutiny of Group A. & H. by N.A.I.C. Sought

Especial Attention to Need for Contingency Reserves Urged

NEW YORK—An appeal to N.A.I.C. to put the supervisory glass on the goings on in the group A. & H. field and to focus on the question of the advisability of prescribing more definite contingency reserves for such business was made here Tuesday morning by Victor A. Lutnicki, associate counsel of John Hancock Mutual Life. He made the presentation at the meeting of the N.A.I.C. life committee.

He emphasized at the outset the size and rate of growth of group A. & H. to indicate how serious the problem can be. During the past 10 years group A. & H. writings have gone up from \$80 million to \$600 million. Prior to that period the life companies looked on A. & H. as a by-product of their group life activity but last year for the first time group A. & H. premiums written by life companies exceeded their group life premium income. Group A. & H. now constitutes a very significant part of the premium income and the total risk insured by the companies writing this line.

Reexamination Is in Order

Reexamination of this as an independent line on an entirely self-supporting basis, and with adequate provision for abnormal experience, is in order. Compulsory A. & H. proposals have challenged the industry to demonstrate its ability to fully serve this need or surrender its responsibility to the government. It is to the credit of the industry that in response to this challenge, more and more companies are entering the field and all companies are experimenting with new techniques for more completely covering the risks. The entrance of new companies into this field creates new pressures within the business and extensive experimental operations create new contingencies that have yet to be tested by experience.

Mention should be made, he said, of the new and unfamiliar contingencies presented by state compulsory cash sickness laws. For example, the extension of coverage thereunder to the unemployed disabled involves elements of unemployment insurance. These pressures and contingencies are deserving of careful attention if the needs of the current situation are to be met entirely from within this line of business and are not to be passed on to other lines of business in instances where such a transfer would be improper.

Effect of Rearmament, Inflation

Rearmament and the inflationary spiral is having a marked effect on group A. & H. gain and loss figures. Rearmament is bringing a large number of temporary and submarginal workers into employment. The morbidity experience on these groups during the last war was considerably above normal. A recurrence of this bad experience can be reasonably expected if this type of employment increases. At the same time, inflation is seriously reducing the margins that might otherwise be available to cover this increased morbidity. The dollar amount of the average claim

A. & H. SESSION OF N.A.I.C.

VA Reimbursement Quest Provides Hot Session

NEW YORK—Heat was engendered Tuesday afternoon at the A. & H. committee meeting of National Assn. of Insurance Commissioners here on the matter of veterans administration seeking to collect from insurers under expense reimbursement contracts assigned to VA by veterans receiving VA hospitalization for non-service connected ills.

F. J. Frankina, program analyst of VA staff department of medicine and surgery, read a statement that contained references which insurance representatives took as slurs. And Mr. Frankina ended with some impassioned remarks to the effect that the insurance companies better beware the wrath of 18 million well organized veterans. He seemed in this connection to be referring to clauses that are increasingly common in medical reimbursement policies to exclude liability for such cases. Mr. Frankina apparently wanted the commissioners to prohibit the use of such clauses.

Resent Subsidy Inference

The insurance people resented especially a statement in the Frankina statement that if VA didn't try to collect it would be giving a subsidy to insurers without statutory authorization. Also there was a statement that this would put an unfair burden on taxpayers.

After Mr. Frankina had finished, C. O. Pauley of H. & A. Underwriters Conference declared that if the clause excluding liability in these cases is unambiguous it is not a matter for the states to consider. He said there is solid reason for such a clause because the average hospitalization period in a VA facility is three times what it is in a private hospital. This is true partly because the diagnostic treatment takes place in the VA hospital whereas usually this is done at the doctor's office before admittance to a private hospital. Also a veteran is kept in a VA hospital until he is medically discharged whereas the patient gets shooed out of a private hospital while he is still weaving.

Payment of benefits for treatment in a VA hospital will cost three times as

has increased, principally as the result of the increased cost of medical care. Concurrently, operating expenses, such as wages, rent and the cost of material, have gone up substantially.

It is desirable that any action taken to make insurance reserves mandatory be uniform among the several states and be applicable to all companies. Missouri by regulation now requires a specific contribution toward contingency reserves for group A. & H. business written by life companies. New York has authority under its law to prescribe minimum premium rates but has not as yet exercised this power. The Missouri ruling is seemingly applicable only to business written in the state, while the New York law, if implemented, would have extra-territorial effect. The Missouri ruling is applicable only to life companies while the New York law is applicable to all companies.

A trend toward statutory requirement of such reserves has also made its appearance in some states, including Massachusetts and New York, where Blue Cross organizations are required by law to make a fixed contribution to contingency reserves. The action taken by these states and the prospect of action elsewhere makes it desirable that the whole subject be examined in its broader aspects, with a view to channeling developments into a uniform pattern.

much and the veteran is no better off than if he had no insurance. If the insurer pays three times as much in these cases, he said, it is a hidden tax on other policyholders. He insisted that this matter should be left to the discretion of the individual company.

Frank Fullenwider of California moved that the matter be dropped.

No Reimbursement, No Treatment

Mr. Frankina cited the VA rule that a veteran applying for hospital treatment for a non-war incurred disability, and who is potentially entitled to other hospital treatment because of membership in a union or group hospital plan, etc., will not be furnished treatment without charge to the extent of such reimbursement. Action will be taken to effect collection from insurance companies in amounts determined payable under terms of the applicable policy. Hence hospitalization is made contingent on the execution of an assignment to VA of the veteran's rights to reimbursement.

The veteran is required to sign a pauper's oath. It is understood VA has sent out a long directive to its offices setting up in detail the procedure for filing claims under these policies, even to form letters for follow up if there is any delay in payment. Some companies, it is said, are refusing to pay, even though there is no specific exclusion in their policies.

Earlier Crichton of West Virginia ported as chairman of the Blue Cross-Blue Shield subcommittee and recommended that those states not now possessing statutes regulating hospital and medical service corporations by the insurance department should be urged to consider the necessity of enacting adequate statutes. An absence of regulation in this field by any state is a serious challenge to effective state regulation.

PROBLEMS FOR ALL

A uniform enabling act for hospital and medical service corporations for all states is a problem that should be considered in full by the entire association.

All states should consider the desirability of making available to large groups desiring Blue Cross coverage, the use of enrollment by Health Service, Inc., the method of writing out liability of Health Service, Inc., and the substitution of coverage by local Blue Cross plans is a reasonable means of writing such coverage but further refinement should be made so as to more definitely establish the liability of Health Service, Inc., in all group enrollment cases.

There is justification for the continued employment of the Blue Cross syndicate method of group coverage but upon the full development of the Health Service vehicle, the matter of the syndicate method of enrolling groups should be considered in full.

Questions Parallel Course

The committee questions the reasonableness of the use of two vehicles, Health Service, Inc., and National Blue Shield Service, Inc., to enroll large groups for both hospital and medical service.

It is against public interest for a Blue Cross plan to refuse coverage if the prospective subscriber is not enrolled under a Blue Shield contract. It is likewise against public interest for a Blue Shield plan to refuse coverage for a similar reason.

J. F. Follmann of Bureau of A. & H.

(CONTINUED ON PAGE 34)

Would Limit G.I. Auto Coverage to Insured and Family

Topic Reviewed by N.A.I.C. Committee; Bureau Seeks 5% Profit Factor

NEW YORK — Many insurers have reached the conclusion that in writing automobile insurance for military personnel it is too drastic to eliminate the omnibus cover from such policies but it is reasonable to limit the protection to the named insured and his family, William H. Brewster, manager automobile department of National Bureau of Casualty Underwriters, told the N.A.I.C. casualty and surety committee.

The aim of these insurers is to reduce the risk to normal by excluding other military personnel, no more than that, he said. An endorsement to accomplish this has been approved in many states, he added.

William Leslie, general manager of the bureau, said in discussing another subject, the bureau is asking 5% for profit and contingencies as new filings are made, instead of the former 2.5%.

Following the directive of the commissioners at Swampscott that the industry study the G.I. auto insurance matter, there has been a lot of discussion by both stock and mutual interests, Mr. Brewster said. There are three questions — of insurance, of rate and of form of cover.

As to insurance, the underwriting problem is a serious one. Most G.I.s are under 25, subject to the highest rate. Many of them drive great distances over weekends — often the cars are old.

An arbitrarily high surcharge has been suggested, but the bureau rating committee decided this would not be in the public interest, Mr. Brewster said. After all, these young men have been inducted into service.

Try to Take Care of Business

Most insurers are doing everything possible to take care of this business, although automobile liability losses are such that they have to follow a conservative underwriting policy in these times. Those that don't carry their share of the load make it harder on those that do. It is an all-industry problem.

Farber of Louisiana said one of the Texas companies had evolved a standard endorsement for military personnel and his department liked it so much it is recommending it as a uniform approach to the problem. Insurance is restricted to named insured off the military post, not on.

Gates of Maryland cited one unfortunate incident in which a sailor denied coverage went to the newspapers and charged discrimination. It is important that companies and their representatives be constantly aware of the danger of turning down an applicant on the ground he is in military service, he declared.

Day of Illinois said there is an added difficulty. The G.I. business tends to become concentrated with a few agents near military bases. The solution, of course, is to put them in an assigned risk plan, but agents dislike the detail of this and the G.I. believes he is getting brushed off. He doesn't know about assigned risks. The committee should urge on the industry that it handle G.I.

(CONTINUED ON PAGE 34)

Hospital Admission Plans Need Shots Against Bugs

Prescribe Education as Antidote for Weak Clerical Constitution

The hospital admissions plans agreed to by the group insurance companies and the hospitals in a number of the largest metropolitan centers are into their second and third years of existence and, while everyone agrees they are better than no such plans, their function in some communities still leaves a great deal to be desired. They have become a source of friction between hospitals, insurers and insured in many instances. While the plans have demonstrated that they are sound in basis, they have also demonstrated rather painfully that no such plan is any better than the clerk assigned to carry it out.

Insurance people are constantly being grieved by instances where uninformed hospital admissions personnel refuse to honor assignments. Time and time again, group insured check into a hospital and come up against a clerk who understands that the only people accorded benefits assignment privileges are Blue Cross subscribers. Often this ignorance over the details of the hospital-insurance arrangement extends pretty high up the scale of administrators. The complicating element is the great turnover on the admissions and general clerical staffs of hospitals. In many instances the employees of the hospitals who were on the job when the admissions plans were first installed have moved into other fields or other capacities. Incomplete arrangements have been made to pass on the information about the plan to their successors. Another major source of irritation to the group insurers and to the insured is the rapidly growing practice of requiring deposits from group insured persons. The fact that hospital-surgical costs are so high today that in many cases the insurance benefits will not cover the costs has inclined the hospitals toward requiring these down payments. Sometimes deposits are required only from those who are being hospitalized for what look like serious and lengthy disabilities, but in some cases the hospitals are requiring these deposits from all group-insured entrants. It was the original understanding of the insurance people when the hospital plan was entered into that no deposits of this sort would be required.

Becomes Damper on Sales

In fact, so many misunderstandings have arisen in connection with performance of the plan due to lack of cooperation with the hospitals that a serious damper has been put upon the use of the plan as a sales argument against the competition of Blue Cross and Blue Shield.

Nor are all the inevitable bugs which develop in such a plan the result of mistakes by the hospitals. The hospitals have been annoyed and made suspicious by some of the insurance companies which are slow in paying claims. The hospitals usually expect an assigned claim under the hospital plan to be paid by the insurer within 10 days. When the payment drags on and on, this does not improve the regard of the hospital for the insurer and all the other insurers, prompt on payment or otherwise are damned. There are difficulties that arise where the insurer holds up hospitalization payment until

the surgical bill, a more complex proposition, has been figured out.

The hospitals experience difficulty when they call the employer or the insurance company, depending on the particular arrangement, to verify whether or not a man has coverage and are unable to get the information on a 24-hour basis as was the original understanding. In some cases, insurers have failed to keep the hospitals informed about additions or amendments to group coverages or about cancellation of coverages. This means that the hospitals do not have the proper information about the group in question and the insured or his dependents reporting for admission to a hospital are denied assignment until the records are put straight.

Ignorance Leads to Mixup

It has happened frequently that an uninformed group insured will not ask for an assignment form until time comes to pay the bill. The hospital has assumed that he will pay himself. In other cases, the insured has signed form turning over the benefits to the hospital, but then he sets about and collects the money direct from his insurer. This is not infrequently due to mistakes in bookkeeping in the office of the insurer.

The hospital admissions plans are far from falling apart, but there are many insurance men who see the necessity of doing a much better job of educating their own and hospital personnel as to how the system works. They see that no matter what degree of agreement is achieved between the directors of hospitals and executives of the insurance company, the system will continue to work haltingly if the hospital admission procedure is not understood by every person at a hospital admission desk and by every clerk and claims department person with the insurance company. Many insurance men feel that a door to door educational canvass has got to be devised by the insurance companies on a sort of a community chest basis to acquaint and keep acquainted all personnel with the workings and with the advantages of the hospital admissions plans.

Near Millionth Traffic Death

October traffic deaths totaled 3,760, the greatest toll for any month since December, 1941, according to the National Safety Council. However, the total was only 6% greater than for October of last year. The year's total traffic deaths to the end of October were up 7% over the same period last year.

The October figures, plus the special weekly reports for November boosted the grand total of traffic deaths through Nov. 29 to approximately 997,300, just 2,700 below the million mark.

The council estimates that Dec. 21 will be "M-Day," the day the millionth American will be killed in a traffic accident.

Extend Cancellation Notice from 5 to 10 Days in Ind.

Companies writing all forms of automobile and casualty business in Indiana have agreed with Commissioner Viehmann to extend 10 instead of five days cancellation notice on automobile policies in all casualty lines except A. & H. The five day cancellation clause is written into the policies, but the companies have agreed to allow the 10-day cancellation to be read into it. All companies have agreed to this in writing with a few exceptions, and they are expected to give approval before Dec. 31.

Warns on Unlicensed Insurers

Pennsylvania motorists have been warned by Deputy Commissioner Ralph H. Alexander against buying automobile insurance by mail from companies not licensed in Pennsylvania, with special reference to American Automobile Owners Safety Assn. of Kansas City.

DAY OF ILLINOIS ASKS FUNDAMENTAL QUESTION

Shall Blue Cross Be Armed to Compete Nationally for Well Served Lines?

NEW YORK—A fundamental question to be resolved in connection with Blue Cross and Blue Shield is whether it is desirable for the states to equip them to compete with the normal insurance market for types of risk that are being adequately and economically insured. This point was injected into the discussion Sunday afternoon here of the B.C.-B.S. subcommittee of N.A.I.C. by Insurance Director Day of Illinois.

Mr. Day remarked that Blue Cross was given special privileges, including tax benefits, because the plan was to meet a need that was not at that particular period being satisfied. Now Blue Cross and Blue Shield are ambitious to compete on a national scale for lines that are being well taken care of. He said he is curious to know why the commissioners should be working to give them special privileges to compete with normal insurance enterprises.

Specifically Mr. Day was referring to the plan for Health Service, Inc., which is a projected insurance company blanketing all the Blue Cross-Blue Shield plans, and concerning which there are many unresolved questions.

Crichton Answers Yes

Crichton of West Virginia, chairman of the subcommittee, expressed the belief it is desirable to arm Blue Cross-Blue Shield to operate nationally.

There was distributed at that meeting the result of a survey of the extent of public regulation of non-profit hospitalization plans.

Such plans are subject to regulation in District of Columbia and 43 states. Approval of rates, benefits is required in 38 states.

In 40 states and District of Columbia plans are regulated by their state insurance departments.

Approval of their certificates, rates, etc., is required in all jurisdictions except Indiana, Minnesota, New Jersey and Oregon and District of Columbia.

In addition to insurance department regulation, in Kentucky and Massachusetts plans are required to report to their health department. Although the New York plans are regulated only by the insurance department, the commissioner of social welfare must approve their contracting hospitals and the schedule of payments thereto.

In Arizona and Virginia plans report to the state corporation commission and in Wyoming to secretary of state.

Of these three, only in Wyoming are plans not required to obtain approval from their regulatory body.

No Control in Four States

In Colorado, Delaware, Missouri and Montana no regulatory control is exercised.

Nevada has no enabling act. Hospitalization plans would operate under the mutual insurance laws.

Frank Fullenwider of California said he was somewhat disappointed in this survey because what he wanted to know is how the proposed national contract of the plans squares with the various state laws. However it was shown to him that the survey was conducted according to instructions. Mr. Fullenwider said he wants to know how under the statute Health Service, Inc., can operate both as an insurer and as an agent.

Mr. Crichton said the commissioners are in the process of self education and enlightenment in this area. They started out in ignorance of the concept and are now groping for light.

By memorandum a point was raised by Allyn of Connecticut regarding a provision in the Blue Shield contract in his state that a patient must notify a doctor in advance that he falls within the income bracket that limits the doctor in his charges to the printed schedule, otherwise the doctor is free

to charge what he wants. Leslie of Pennsylvania said this provision is not found in his state. He vouchsafed that this is a state matter. There is no national pattern on it. Roy Hafer of Harrisburg added that the Pennsylvania statute bars a panel doctor from billing for services to a Blue Shield member.

E. J. Dirksen of Illinois said in his state there is no variation in payments according to the income of the patient.

Bohlinger of New York said the Blue Shield has for years in his state had a provision under which the doctor agrees not to charge over the schedule if the patient is within a stipulated income bracket. There have never been any complaints about this, although there is now agitation to have those income limits raised.

Mr. Dirksen said apparently what Mr. Allyn objects to is putting the burden on the patient to apprise the doctor of his income status. On motion of Day of Illinois the Allyn question was tabled.

Progress Made in Survey of A. & H. Policy Approval

NEW YORK — The survey which the New York department is making for N.A.I.C. on the problem of A. & H. policy approval it is hoped can be completed in time for the June meeting, William C. Gould of the New York department told the N.A.I.C. interstate co-operation committee at its session here Tuesday morning. Stone of Nebraska presided.

Mr. Gould said New York representatives have visited 12 states and have questioned the others. The task has been slowed down because the data furnished by some states has been incomplete and other states have not responded at all. However, most of the latter have indicated an intention to respond.

Mr. Stone said the purpose of the study is to ascertain if the policy approval work can be expedited, especially in connection with policies that are for use in many states and in states that have uniform laws.

New Trip Policy Machine Offers Three Kinds of Cover

A new coin-operated trip insurance policy machine for air, rail and bus passengers has been brought forth by the Tele-Trip Policy Co. of New York.

The machine has several features. It is small enough to be placed on a ticket counter at the point of sale. The policy, when folded to pocket size, is available in dispensers attached to the machine, thus allowing several people to fill out the forms at the same time. The policy stub is automatically detached and retained by the machine, and the policy itself becomes a self-mailer envelope, a stamp for which is issued with each policy.

Three different models are being made by Vendo Company of Kansas City and 2,000 units will be located throughout the country.

Each machine sells three different kinds of policies, printed in different colors for ease of selection. One provides for either domestic or foreign travel on scheduled airlines, the domestic rate being 25 cents per \$5,000 to a maximum of \$25,000.

The second policy, written by Travelers, is for rail, bus, automobile and steamship travel up to \$5,000 at a rate of 25 cents for 24 hours. The third policy is for baggage insurance at a rate based on the valuation of the baggage.

How Aetna's Sales Aids help agents



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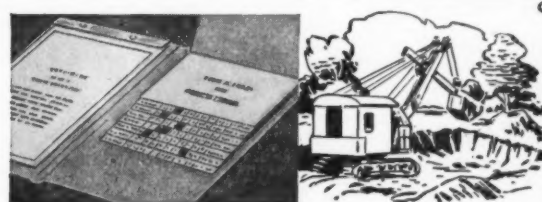
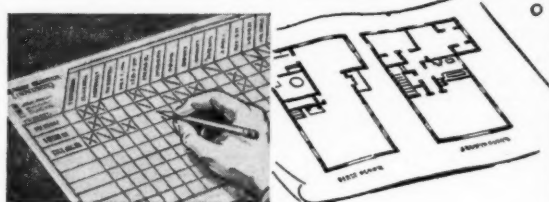
Aetna Home Office Sales Course supplies the building know-how

Under the guidance of experts, agents who attend this course learn the latest techniques of insurance selling . . . risk analysis . . . prospecting . . . account solicitation and handling. In five intensely practical, instruction-crammed weeks, they gain new skill, knowledge and confidence. Many hundreds of graduates report that the course advances success from three to five years.



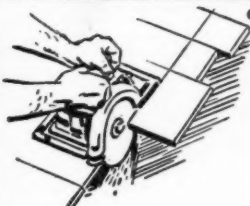
Aetna Customer Development Plan blueprints procedure efficiently

By following this well designed plan, an agent saves valuable time, gets maximum results with minimum effort. It shows plainly just how each account on his books can be built up . . . where there is room to add extra lines to each customer's present coverage. Using it, an agent finds many ways to expand premium volume among his best prospects — the clients already on his books.



The Aetna Plan provides power for heavy work

The Aetna Plan picks up business in big chunks, helps build a solid foundation of commercial and industrial accounts. Pioneer system of risk and insurance analysis, it makes it possible for agents to determine exact insurance and bonding requirements of prospects . . . expedites the handling of complex risks . . . helps pile up premiums by developing "single policy" clients into entire accounts.



Aetna Plandex cuts time and effort

A specialized tool that saves long, hard hours — Aetna Plandex equips agents to analyze quickly individual client's problems and to present a neatly constructed, visible record of their customer's insurance program in a convenient policy container. Time and again, this modern, professional helper has shown its mettle in developing personal accounts . . . in strengthening current business.



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Aetna agents, using Aetna Loss Prevention aids, sow valuable goodwill in the rich soil of their own communities . . . attract the attention of leaders in business and local affairs. With these aids — action displays, sound motion pictures, driver-testing devices, folders and other material — agents are reaping the bountiful results that spring from a well-planned public relations program.



Building Better Futures is our Business

AETNA CASUALTY AND SURETY COMPANY

The Aetna Life Affiliated Companies write practically every form of insurance and bonding protection

LIFE AND CASUALTY
Aetna Life Insurance Company
Aetna Casualty and Surety Company



FIRE AND MARINE
Automobile Insurance Company
Standard Fire Insurance Company

Hartford 15

Connecticut

U. S. F. & G. Names 20 Officers as F. & G. Merger Nears

In connection with the coming merger of Fidelity & Guaranty into U. S. F. & G., which will be effective Jan. 1, directors of U. S. F. & G. have just elected to membership Robert D. Bartlett, Charles H. Buck, and Charles B. Gillet, all members of F. & G. board for many years.

A number of the officers of F. & G. were elected officers of U. S. F. & G. They include, with their new titles: Harry F. Ogden, executive vice-president; Frank F. Dorsey, vice-president; C. B. Gamble, vice-president; Herman Badenhop, Jr., vice-president; Sam G. Browning, A. Byron Crisp, John E. Dallam, Joseph F. Danaher, James E. Hackett, Charles A. Hancock, David L. Royer, and Earl A. Shaw, assistant secretaries, and William Keller, Jr., resident secretary at New York.

Mr. Ogden, who has been president of F. & G. since 1940, will have overall charge of U. S. F. & G.'s fire and marine department, and also will be president of F. & G. Insurance Underwriters, Inc., a corporation formed in Ohio to furnish fire insurance facilities in Ohio and Arizona.

Mr. Dorsey will be director of the fire and marine department.

Mr. Gamble becomes associate director of the agency development department and Mr. Badenhop will be in charge of fire and marine claims, under Executive Vice-president Hugh D. Combs.

Messrs. Browning, Dallam and Shaw will become assistant directors of the agency development department, Messrs. Crisp and Hancock, administrative assistants in the fire and marine department.

Mr. Royer will become superintendent of the eastern and southern department, Mr. Hackett, superintendent of the Pacific and western department, and Mr. Danaher, superintendent of the marine department — all divisions of U. S. F. & G. fire and marine activities.

Mr. Keller, who was elected a resident secretary at New York City, has been F. & G. secretary and manager for fire and marine lines in New York.

Charles N. Hunt, who has been treasurer of the F. & G., has been elected treasurer of F. & G. Underwriters, and in addition will be secretary of the operating procedures committee at the home office.

Four other U. S. F. & G. officers were elected — all of them from the ranks: Walter H. Kincannon, vice-president; Hugh E. Richeson, assistant vice-president; Miss Margaret G. Lee, assistant treasurer, and Miss Frieda Walter, assistant secretary.

Mr. Kincannon joined U. S. F. & G. in 1914 and is superintendent of the automobile department. Since 1943 he has been an assistant secretary.

Mr. Richeson has been assistant to Hugh Combs in the claim department since 1950. Prior to that he was claims superintendent at Detroit.

Miss Lee and Miss Walter are the first women in the U. S. F. & G. to be elected officers. Miss Lee is secretary to Vice-president-Treasurer Alan P. Hoblitzell, in addition to performing administrative duties in the treasurer's department. Miss Walter is secretary to Vice-president-Secretary Clarke J. Fitzpatrick. She is president of the Business and Professional Women's Club of Baltimore.

Aetna Life Group Dividends

Aetna Life has declared a quarterly dividend of 50 cents and an extra 50 cents a share; Aetna Casualty, quarterly 62½ cents and extra 50 cents; Automobile, quarterly 30 cents and extra 40 cents.

The dividends, all payable Jan. 2 to stock of record Dec. 2, are the same as those paid at this time last year.

N. J. TBD Hike Fails to Pass

Bills that would have increased the maximum payments provided by the New Jersey temporary disability benefits law from \$26 to \$30 weekly failed to pass in the special session of the state legislature. A special committee was appointed to study the law and report back to the legislature during the 1952 session which convenes next month.

A bill to increase the allowance for the governmental agency administering the law from 6% to 8% of state fund contributions was passed. This bill became necessary when original estimates that the state fund would get to 70% of the plans were reversed when private carriers, not the state, actually got that percentage of the business. The governor will probably sign this bill.

Iowa Ban on Using Limited Auto Policies Held Up

DES MOINES — Commissioner Fischer has continued until a later date a hearing on limiting coverage of automobile policies, with the result that forms already in use will remain in status quo until the final hearing is held.

He previously had issued a bulletin prohibiting approval of endorsements on auto liability policies which limit coverage to the named assured and members of his immediate family. The original bulletin announced that those endorsements on file would stand disapproved as of Dec. 1.

Representatives of about 30 companies attended the hearing, with some 20 Iowa companies represented by a committee composed of Hershel Langdon, Des Moines attorney; John Hynes, president of Allied Mutual Casualty, and Bryan Connell of Farmers Mutual Hail.

On recommendation of the committee the commissioner agreed to withhold disapproval of forms already on file until the committee could make a full report and present some uniform plan. Mr. Fischer said he would announce a future hearing.

Mo. Bill Would Modify Exemption of Charities

A bill waiving the immunity of charitable institutions and governmental bodies from tort liability to the extent of liability insurance carried by the institution has been perfected for passage in the Missouri legislature. This so-called "insurance exception" has been enacted into statute in Arkansas and has been adopted by court decisions in Illinois, Colorado, Louisiana and Tennessee. Other statutes and decisions have been concerned chiefly with charitable institutions. The Missouri bill, known as house bill No. 502, goes a step further and specifically includes "any agency, institution, instrumentality, or department of the state or of any county, municipality, school district or other political subdivision." It provides that any judgment in excess of the limit or limits of insurance shall be reduced to the amount for which the insurer is liable.

Up to now, the Missouri courts have held for absolute immunity from liability, even for negligence in selection of servants. It is understood that the bill is aimed primarily at school buses.

Bryant East Bay President

Carl Bryant, Aetna Casualty, is the new president of East Bay Casualty Adjusters Assn. of Oakland, Cal. He succeeds Lloyd Cantrell.

Julian Poole, Cal-Farm Ins. Co., Berkeley, was elected vice-president and Elmer Gentry, Hartford Accident, re-elected secretary.

Dr. William F. Holcomb, Oakland surgeon, spoke on "Recent Advances in Orthopedic Surgery."

D. C. Revocation Order Is Enjoined

WASHINGTON — Supt. Jordan has revoked the license of American Fidelity & Casualty to do business in the District of Columbia. The order was based on an opinion of Mr. Jordan prepared in conjunction with the District of Columbia corporation counsel's office, in which 15 charges against the company are reviewed and nine findings made. The commissioner charges that if all companies did business as does American F. & C., there would be a "chaotic" condition and regulation would be "impossible."

American F. & C. has obtained a federal district court injunction against Jordan's license revocation. I. S. Markel, president of the company, called the decision "the most outrageous we have ever heard of in our 25 years in the insurance business."

The temporary restraining order against the revocation of the license will stand until the issue is finally decided in court. A court hearing has been set for Dec. 7.

Mr. Jordan said it was stipulated between the parties that the charges set forth in the notice upon a company to show cause why an order should not be issued against it, correctly stated the facts, except it was agreed that the company had paid 5% tax on income from a contract of April 1, 1949 between Markel Service and Safeway Trails.

The issue revolved around a contract between Markel Service and Safeway Trails and American Fidelity & Casualty. It was Mr. Jordan's contention that the ramifications of this contract were such as to make the company's operations not in compliance with the insurance regulations.

Only One Contract in D. C.

Markel Service has only one contract with an insured in District of Columbia. Markel interests indicated that some time ago they agreed with the chairman of zone 2 commissioners that they would not use the service contract unless the commissioner of the state in which insured is domiciled O.K.'d the use of it. This would include the District.

Markel interests also doubt that the relationship of Markel Service and the insurer can possibly be involved in whatever quarrel Commissioner Jordan has with the service agreement. In all other instances where departments have questioned the contract the sole issue has been the matter of premium tax.

Texas Department Told of Need for Taxi Rate Boost

It was brought out at a Texas department hearing at Austin that the pressing need for an increase in taxicab liability rates will become more acute when the state's safety financial responsibility law becomes effective the first of the year.

Earl Gammage, president of Pan American Casualty, said that the loss ratio is now above the allowable percentage even though the most common limits are \$1,000 P. D. L. and \$2,000 B. I. There will be a much higher ratio, he said, when 5/10 limits become standard.

Raymond Hulsey, manager of Texas Automobile Service office, said there is a need for a 30% state-wide increase in taxicab rates. Frank I. McPherson, vice-president and treasurer of Pan American, suggested that the rates include factors of 4% for engineering and 10% for supervisory service that is made available to the taxicab companies by insurers.

Casualty Commissioner Gibbs said he would favor this expense provision. A. E. Johnson, representing the taxicab operators, said that if the companies provide real engineering and supervision the extra charge would be welcomed.

Work on Small W.C. Policy Economies Is Progressing

NEW YORK — The staff and a special small risk committee of National Council on Compensation Insurance have been studying the small risk problem in the workmen's compensation field for some time. F. H. Richardson, general manager of the council, reported at the meeting of the workmen's compensation subcommittee of N.A.I.C. here. Day of Illinois was in the chair.

These studies, as recommended by the industry to the commissioners, have been aimed at obtaining operating economies on small compensation policies. They have included investigation in simplified policy forms, statistical reporting, policy writing and filing, the use of policies covering a term of more than one year, simplified classification and underwriting procedures, etc.

Agree on Expense Constant

This business and commissioners had agreed previously that an expense constant is proper in connection with small W.C. risks and that even a \$10 constant provided by the present program is not sufficient to meet the expenses of handling very small risks.

Bearing in mind that any changes in the long established methods and routines of handling this class of business will affect home, branch and agency offices of insurers, Mr. Richardson said, no final conclusions have been reached yet. However, he assured the subcommittee that insurers and the council thoroughly appreciate the importance of the problem and will attempt to develop definite recommendations at the earliest possible date. The subcommittee reacted favorably to Mr. Richardson's presentation.

A study of the entire problem will take approximately two years, he said, but the council will be able to submit some completed material prior to next June. This includes a simplified policy form for all policies, a simplification of statistical reporting on small risks and a definition of a small policy.

The committee will name a department technician to participate in the council deliberations on the subject.

Another progress report was on checking of accident distribution of the American Accident Table, in connection with a study of the methods used in evaluating law amendments.

The study will cover about 40,000 temporary disability cases, 25,000 minor permanent partial cases, 10,000 major permanent partials and all death and permanent total disability cases reported to the council and independent bureaus for five years. Report of data by insurers is near completion. Much of the job will be done by next June.

Farm Bureau Raises Auto Liability Rates in 5 States

Farm Bureau Mutual Automobile of Columbus has raised rates in five eastern states, Ohio, Pennsylvania, Connecticut, Vermont, and Maryland. It is the company's first general rate adjustment in more than a year.

The increases, for liability coverages unless otherwise stated, are: Ohio: Non-farm passenger cars, 4%; trucks, classes 3 and 4, 11%.

Pennsylvania: Passenger cars, 2%; \$50 deductible collision, 20%; 80/20 collision, 14½%; trucks, class 1, 14%; class 3, 18%; class 4, 13%; class 5, 4%.

Connecticut: Passenger cars, 12%; comprehensive, 10%; collision, 10%; trucks, classes 1, 3, 4 and 5, 27%.

Vermont: Passenger cars, 12.2%; trucks, class 3, 20%.

Maryland: Trucks, class 3, 20%.

Gyle Marsh of York, Neb., has joined the Alvin J. Wolff agency of Opportunity, Waukegan, as manager of the insurance department.

N. Y. Thre A. & I

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N. Y. Proposal Held Threat to Some A. & H. Insurers

NEW YORK — New York-licensed life companies doing a large A. & H. business in relation to their life writings are considerably concerned about the proposed substitute for the present section 213 of the New York expense limitation law governing life companies.

This was brought out by Douglas Bell, assistant counsel of Paul Revere Life, at the hearing held here last week on revision of section 213 by the Condon committee of the New York legislature.

The proposed change would force life companies doing an A. & H. business to prorate advances to agents between life on the one hand and A. & H. on the other in proportion to the volume of first-year commissions for these two classes. This introduces a complication, inasmuch as many companies pay a lower rate of commission on A. & H. than on life.

Basis Would Be Distorted

They make advances against the A. & H. commissions but if they had to be prorated according to the A. & H. commission volume and life commission volume the result would be to charge a disproportionate amount against life commissions. This might result in a company's going over the New York expense limit, whereas if the advances were recorded as being made against whichever line of business was actually the case the company would not be in trouble.

The law contains a proviso that a company can take its case up with the New York department but companies would prefer not to be in the position of proving that what they are doing is all right.

Basically the companies don't like the idea of what is regarded as an entering wedge for state control of A. & H. commissions. This would be particularly bad for life companies writing A. & H. because they are in competition with casualty companies and A. & H. specialty companies that would not be subject to the limit.

Department Wanted Provision

The subcommittee of the life companies' committee on section 213 that drafted the bill reported against the provision but it was included in the final draft at the insurance department's insistence.

The amount of first year commissions is not a real test, the companies involved point out, because a company could increase its first year and A. & H. commissions by 200% and this would keep the advances where they belong even though prorated according to the proposed formula. The companies affected contend that the department has enough authority already, through the annual statement reports and its auditing procedure. The prorating provision had been heard of but was not known about for sure until the companies' committee officially filed its latest draft bill with the legislative committee last week. One fear is that it would be a step in the direction of the situation that confronts Canadian life companies. That is, the Canadian companies are not allowed to use life assets or surplus in developing A. & H. business. Therefore, Canadian life companies don't do an A. & H. business to any extent.

Corcoran De Paul Speaker

More standardization of approach and closer cooperation among casualty and material damage auto adjusters were suggested as a means of improving insurance claims service by Glenn S. Corcoran, manager of the automobile department of Western Adjustment, in an address before the casualty claims class of DePaul University college of law. The class is a basic course in investigation and adjustment of casualty

claims for lawyers and adjusters, conducted by Joseph W. Griffin of the Chicago law firm of Hanson & Doyle.

Mr. Corcoran pointed out that material damage adjusting is a specialized field, requiring mechanical aptitudes and training, as well as a full knowledge of insurance principles. The adjuster's duties in this field are to see that a contractual obligation, calling for a pay-

ment of a fixed sum, is fulfilled. In contrast, he said, the casualty adjuster's problem is fundamentally the purchasing of a cause of action.

Each class of adjuster can do much to help the other, with a resultant increased good-will toward the business, he concluded.

Charles W. Callahan, head of a Se-

attle brokerage firm, and Mrs. Callahan suffered serious injuries in a head-on collision and have been confined to a hospital at Seattle.

Gov. Anderson, Commissioner Nelson and Deputy Commissioner Lund will speak at the annual meeting of Minnesota Fire Chiefs Assn. at Minneapolis Dec. 10.



National protection in each direction

"INVISIBLE ARMOR" identifies one of the oldest and largest surety organizations with countrywide facilities for burglary, casualty and inland marine insurance as well.

NATIONAL SURETY CORPORATION

4 Albany Street, New York

CHANGES IN CASUALTY FIELD

V. C. Gorton, Top Allstate Counsel, to Retire Jan. 1

Victor C. Gorton, vice-president and general counsel of Allstate, will retire Jan. 1 under the company's pension plan. Mr. Gorton intends to remain in the insurance law business, however, and will join the Chicago law firm of Wyatt Jacobs.



V. C. Gorton

Mr. Gorton started with Allstate in 1931 as an independent attorney at Indianapolis. He went to Chicago in 1933 and was charged with building the company's legal and claim department on a nationwide basis. Since then he has established more than 60 regional and district offices in 47 states.

Active in International Assn. of Insurance Counsel, Mr. Gorton served as vice-president in 1948-49, and as chair-

man of its automobile insurance loss, home office counsel, and highway safety committees. He also has been active in the insurance section of American Bar Assn. He has written numerous legal articles concerning the coverage of insurance policies, and also a text on automobile claim practice litigation.

Continental Casualty Names A. J. Reid Assistant V.-P., Walker, Flaherty Advanced

Continental Casualty has named A. J. Reid assistant vice-president, effective Jan. 1. He will be first assistant to Walter E. Kraft, vice-president in charge of the surety department.

Robert J. Walker and James F. Flaherty have been appointed superintendents of the surety department. Mr. Walker will supervise underwriting of judicial, public official and miscellaneous bonds, and Mr. Flaherty will handle contract bonds.

Mr. Reid has broad experience in the surety field. He was with National Surety for more than 20 years.

Mr. Walker has been with the com-

pany's judicial bond department for 10 years. Mr. Flaherty started his surety career with Continental at its Chicago branch in 1936. In 1941 he went with another insurance company, rejoining Continental last summer at Pittsburgh.

General Accident Raises Herterich, MacNamara

General Accident has appointed Frank W. Herterich, formerly manager at Harrisburg, Pa., manager of northern California with headquarters at San Francisco, succeeding Harry Hutchinson who resigned because of ill health. Thomas B. MacNamara has been named Harrisburg manager.

Mr. Herterich entered insurance in 1936 with Royal-Liverpool at New York City. After army air corps service, he joined Fotomac at Philadelphia as a multiple-line special agent.

Mr. MacNamara started with the company in 1941. He went to Harrisburg in 1946 as underwriter, later served as special agent, and in 1950 was appointed assistant manager.

Kerner Now Vice-president

Alexander Kerner has been elected a vice-president of United States Guarantee. He joined the company in 1938 as assistant manager of the claim and legal department. Subsequently he managed the bankers blanket bond department and since 1949 he has headed the contract bond department. He will continue in that post.

Names Nellis, Broyles

Travelers Indemnity has reappointed Amon M. Nellis, recently returned from military service, field supervisor at Washington, D. C., and has named Gaston M. Broyles field supervisor at Oklahoma City.

Crawford to Industrial Ind.

William H. Crawford has resigned as secretary of the Pacific department of the Loyalty group to join Industrial Indemnity of San Francisco as treasurer. He succeeds J. P. Chambers, who moved over to an executive position in the Bechtel Corp., an affiliate of Industrial Indemnity. With the Loyalty group Mr. Crawford supervised all fire and casualty accounting and statistical operations.

Rosenberg to Farmers Group

Norman Rosenberg, for 3½ years in charge of the rate regulatory division of the California department at the Los Angeles office, has resigned to go with the Farmers insurance group as an executive assistant.

Mr. Rosenberg is a fellow of Casualty Actuarial Assn. and before going to California was with rating organizations in New York.

Guarantee Shifts Managers

Richard F. Goss, vice-president of Guarantee of California with headquarters at Oakland, supervising northern California business, has been transferred to the home office at Los Angeles and S. P. Merrell, manager at San Diego, succeeds him at Oakland. S. E. Tiberg, who has been assistant to President Deering, goes to San Diego as manager.

Promote Two at New York

Henry J. Wichmann has been made manager of casualty underwriting at New York for Standard Accident. William J. Raftery has been made assistant manager of casualty underwriting there. Mr. Wichmann joined the New York office of Standard Accident in 1917. In 1924 he was made general liability underwriter. More recently he has been assistant manager of the underwriting department.

Mr. Raftery has been with the company since 1939. He has been in charge of automobile underwriting for New

York and had served as a field representative before that.

Leslie W. Rouzer, Jr. has been made claim representative of Standard Accident at West Palm Beach.

ACCIDENT

Examination Report Shows Growth of United, Chicago

United of Chicago had assets of \$17,528,776 at Dec. 31, 1950, according to the report of the convention examination on the part of Illinois, Virginia, Tennessee and Arkansas. Capital was \$1 million and net surplus \$5,337,009. Examiners include a table showing the growth of United during the past decade in premium income, assets and surplus. In 1941 the premium income was \$1,749,100, assets \$1,027,903 and surplus to policyholders \$348,656. By 1945 the comparable figures had increased to roughly \$7 million, \$5.2 million and \$2.7 million. In 1948 they were \$15.4 million, \$10.4 million and \$4.4 million. In 1950 the premium income was \$18,444,423. Ordinary life insurance in force was \$23,254,281 and industrial, \$65,060,527.

The principal officers are O. T. Hogan, president; A. D. Johnson, secretary-treasurer; J. R. Hogan, executive vice-president; G. B. Hiser, vice-president and general attorney; J. M. Penrith, vice-president and assistant secretary; H. G. Rockwood, vice-president, and P. W. Schwibert, actuary.

Licensed in More States

As a result of the merger of Illinois Bankers Life into Central Standard Life of Chicago, the latter company has become licensed in Arizona, Colorado, Florida, Maryland, Oklahoma, Virginia and District of Columbia. These are the jurisdictions in which Illinois Bankers was licensed and Central Standard was not.

Add Judges for Criss Award

V. J. Skutt, president of Mutual Benefit H. & A., has named Ned H. Dearborn, president of National Safety Council, and Dr. John W. Cline, president of American Medical Assn., to the board of judges for the company's Dr. C. C. Criss award, presented for outstanding accomplishments in health or safety.

Adopts New Premium Notice

Old Line Life of Milwaukee has adopted new two-part premium notices for life and A. & H. with record of payment attached. When cash payments are made or a receipt is desired, it will be given if so indicated.

MacArthur Gives Sales Talk

Ray B. MacArthur, Time, spoke on "Selling—Your Profession" at the December luncheon meeting of Milwaukee A. & H. Underwriters. President Clifford C. Raisbeck, Washington National, has appointed Al Siegner chairman of the Christmas party Dec. 15 at which children from the Milwaukee County Children's Home will be guests.

Named Field Service Chief

North American Life & Casualty has appointed W. O. Johnson manager of the field service. His major function will be in the field of public relations.

Stuart Duffield Retires

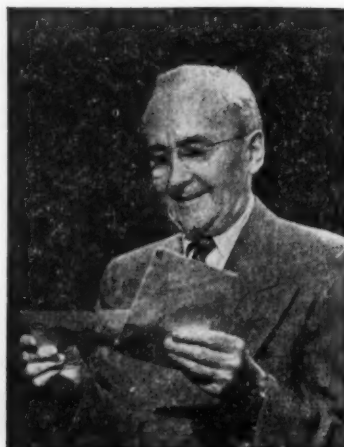
Stuart Duffield, assistant secretary of the casualty companies of the Phoenix-London group in charge of the A. & H. department, has retired at his own request.

He started with Phoenix Indemnity in 1929 as superintendent of its A. & H. department and became superintendent of the combined A. & H. departments of Phoenix Indemnity and London Guar-

DO YOU EVER HAVE A PROBLEM LIKE THIS?

PROBLEM:

"Here's a nice order for something new and unusual in insurance, which my companies cannot write."
"I want to take care of it but how in the world will I handle it?"



ANSWER:

Refer to A. F. Shaw & Co., Insurance Exchange, Chicago, Illinois For satisfactory solution of your problems.

ALL FORMS OF INSURANCE WRITTEN BY
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antee in 1935. He was made an assistant secretary in 1944.

He is succeeded by Philip D. Cross, who has been with the group in the eastern department and the home office since 1947.

The A. & H. Club of New York will hold its Christmas party Dec. 13. Charles W. Francis, Service Review, is in charge of arrangements.

COMPENSATION

Industrial Indemnity Stops Writing Group W.C. Lines

Industrial Indemnity of San Francisco has notified California Assn. of Insurance Agents that it has ceased writing any more group workmen's compensation insurance. While the company did not say that it has adopted this program because of the continuing opposition of the association, it did tell the organization that it has notified its producers that no more such business could be accepted and no renewals will be made. It also stated that it hoped to have all such group w.c. business off its books by October, 1952.

Industrial says that while it has for several years provided a group market to give producers a competitive tool against direct writing, it has become convinced that it is necessary to sell quality and service, and not try to meet the direct writer on his own field of cut-price competition.

Industrial Indemnity, an affiliate of Bechtel Corp., one of the largest construction firms on the Pacific Coast, is the largest writer of workmen's compensation insurance in California. It was organized initially as a reciprocal and within the past two years completed its transformation into a stock company.

Asks 8.8% "Comp" Rate Boost in Massachusetts

An average increase of 8.8% in workmen's compensation rates has been proposed by Massachusetts Workmen's Compensation Rating & Inspection Bureau. An effective date of Dec. 1 was asked in the filing made with the insurance department.

The filing does not affect 39 classifications, asks increases for 319, and decreases for 262. It also is proposed that the expense constant applying to risks with premiums of less than \$500 be raised from \$5 to \$10. Expenses on larger risks would be graded. There is proposed a margin of 2.5% for underwriting profit and contingencies, as well as a larger "development factor" than used in previous filings, reflecting the increased cost of claims beyond third reporting of reserves on incurred losses.

The changes are based almost entirely on loss experience with increases in benefits having only a minor effect. Loss ratios in 1950 and 1951, the filing states, exceeded the 60% loss ratio contemplated in the 1950 rate revision.

Defer N. Y. Rate Change

New York Compensation Insurance Rating Board has informed members that they may renew policies with inception dates up to Jan. 14 instead of Dec. 16. The board had proposed new rates to the New York department to become effective Dec. 16, and the department has asked for more time to study the proposal.

Okla. Rate Hike Unopposed

OKLAHOMA CITY—A two-day hearing on the 10.1% increase in workmen's compensation rates in Oklahoma, requested by National Council on Workmen's Compensation, was held by the state insurance board. No decision is expected for several weeks but it was indicated that the board will look favorably on an increase.

Rates must be increased if companies are to continue writing this line, in view

of excessive losses, several company officials said. Figures were submitted showing loss ratios ranging from 70 to 80%.

The expected opposition failed to materialize. E. J. O'Connor, representing Associated Industries of Oklahoma, originally one of the most vigorous opponents, conceded that many companies are entitled to the rate increase because of increasing loss ratios, but said the state must have a level of rates that will not impose too heavy a load for industry to carry.

Last August the board granted a 9.7% hike in "comp" rates.

Surety Men Fete Press

NEW YORK—A larger turnout of company executives than ever before marked the annual luncheon here given to the insurance press by Surety Assn. of America. David Porter and Martin W. Lewis of the association; Robert W. Stewart, Fireman's Fund; A. F. Lairentz, American Surety; Charles Phillips, U. S. F. & G., and Ellis H. Carson, National Surety, spoke briefly.

Certiorari Petition Denied

WASHINGTON — U. S. Supreme Court denied certiorari petition in No.

244, American Fidelity & Casualty vs. All American Bus Lines, Inc., and denied motion for leave to file brief of Rodman W. Keenon and others as amici curiae.

Beginning this week-end, State Farm Mutual Automobile will add a second 5-minute newscast to its national radio advertising program which features Cecil Brown, news commentator.

General sales managers of Hardware Mutuals of Stevens Point, Wis., are meeting there this week with home office sales and advertising executives.

**Like F&D,
he SPECIALIZES**

GIANT

amidst his scale-models, the city
planning engineer blends
utility with beauty to create the pattern
of civic improvement. Modeling
a better Tomorrow is his specialty.

F&D's ability to act swiftly and authoritatively in connection with any bonding proposition and the close-at-hand facilities of its 50 field offices are highly valuable assets to its agents. Together they enable F&D representatives to meet the bonding requirements of their clients with professional competence, no matter how limited their own surety experience may be.

Especially important to F&D agents is the frequently-demonstrated ability of the company's experts to devise ways and means of covering out-of-the-ordinary bonding risks, thereby creating worthwhile commissions for the producers involved, as well as strengthening their relations with their clients.

Yes, in the bonding business, as in other fields of endeavor, specialization means better service to all concerned.



FIDELITY AND SURETY BONDS
BURGLARY, AND OTHER NEEDED
FORMS OF INSURANCE

FIDELITY AND DEPOSIT COMPANY
Baltimore Maryland

AFFILIATE: AMERICAN BONDING COMPANY OF BALTIMORE

Short Session on Profits

NEW YORK — The commissioners and the business each have carefully scrutinized the profit formula subject, J. Raymond Berry, general counsel of National Board, said and he urged at the meeting here of the subcommittee of National Assn. of Insurance Commis-

sioners that it be buttoned up. If there is any minor rearrangement in language, it should not be difficult to take care of it, he added.

Bohlinger of New York, chairman, and Leslie of Pennsylvania, vice-chairman, conducted the meeting. There were no other comments, and the meeting adjourned.

*Bituminous
serves
the Agent*



... Security with Service from the Beginning

Results were far-reaching when Illinois and Iowa passed their first Workmen's Compensation Act in 1917. Insurance carriers who had been writing employer's liability on coal mines in these states were hesitant to provide the coverage required by legislation which seemed to be radical at that time. Mine operators, with no insurance market available, had the choice of operating contrary to law, closing their mines, or assuming financial responsibility far beyond the dictates of sound business management.

Faced with the problem of securing adequate insurance protection for its mine-operating clients, who had looked to them for protection for years, a local insurance agency in Rock Island, Illinois, found a solution. With a deep sense of obligation and service, a meeting was held between coal operators and partners of the agency. The partners assumed the management of an organization which was eventually to become the Bituminous Casualty Corporation.

To underwrite coal mines successfully, it was apparent from the beginning that Bituminous must employ specialists in the coal mining industry. Therefore, graduate mining engineers and men with practical mining experience have handled the underwriting and safety engineering of the company's coal mining division, from organization to the present time.

In 1932, the Company began writing compensation for other industries, as well as mining. Today, although premiums developed by the coal mining industry represent only one-seventh (1/7) of the company's writings, Bituminous' coal mining department is still a separate division, managed and manned by underwriters and engineers who devote their time exclusively to the coal mining industry.

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ILLINOIS

TO THE AGENT WHO CARES

The ILLINOIS MUTUAL CASUALTY COMPANY, home office — Peoria, Illinois, has the tools with which you may commence and continue to build the best Accident — Sickness — Hospital — Medical — Surgical and Polio insurance business in your community.

Desirable agency openings in Illinois, Indiana, Michigan, Minnesota, Missouri, Ohio and Wisconsin.



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President

C. C. Inman
Executive Vice President

Treats U. & O. Problems in Coal Mining Field

There are more than 6,000 active coal operators in the country today, and the field for the sale of business interruption insurance in the coal mining industry is a fertile one. The number of insurable losses will certainly increase from year to year. These are two points made by Richard J. Gallagher, C.P.A., of Frank S. Glendening & Co., certified public accountants, Philadelphia, in a booklet entitled "U. & O., Coal Mining." The booklet deals with a number of special problems of business interruption coverage in the coal mining field and has attracted wide attention.

The booklet deals primarily with operations in West Virginia and the states in Eastern Underwriters Assn. territory.

Mr. Gallagher treats in some detail the types of expense accounts peculiar to coal mines which are easily found on the accounting records and how these accounts should be considered in determining a proper business interruption value and the amount of loss when a casualty occurs. This is important for the broker as well as adjuster.

Broker Needs Knowledge

Only when the broker fortifies himself with a working knowledge of the classification and meaning of the accounts ordinarily maintained in the accounting system of the average coal mine operator will he be competent to discuss the coverage with clients or prospects, and from an analysis of the client's operating statements determine the approximate coverage needed to comply with the coinsurance requirements of the policy contract.

For example, in connection with mine supplies, much depends on the profit status of the particular mine in question at the particular time a loss occurs. The only practical way of arriving at the amount of one loss was a comparison of the projected operating profit with the actual operating profit earned during the period of partial operations. The comparison indicated the difference underwriters might have been expected to pay insured if it had been accepted at face value and without a detailed analysis of the mine supplies account during the period of suspension. However, Mr. Gallagher and insured's comptroller analyzed literally hundreds of individual charges to the mine supplies account during the suspension period. The result was an agreement that more than \$50,000 should be excluded from the operating expenses and properly capitalized for the purpose of arriving at actual loss sustained as distinguished from the loss reflected by the books. The effect was to reduce the apparent business interruption loss by \$50,000.

Exhaustion of Resource

Depletion, the exhaustion of the natural resource itself as it is mined, he likens to the cost of raw materials going into a manufactured product. This is always a variable out-of-pocket expense and not includable in the business interruption value. For federal income tax purposes, two kinds of depletion are recognized, actual and percentage, the latter being a bookkeeping calculation. In the past decade with substantial profits being made by mine operators, the percentage depletion deduction has been very widely used. The difficulty from a U. & O. standpoint is that there has been no uniformity among operators in the methods used for reflecting this percentage depletion on the books. It is necessary to analyze the depletion charges reflected on the books because from the standpoint of actual loss under the U. & O. coverage any excess of percentage depletion over actual depletion is in reality a part of net profits and will have to be considered as such in any projection representing projected or anticipated operations. Many ad-

justers and brokers are unaware of this important distinction.

Such items as welfare and retirement royalties, sales commissions, business privilege taxes, payroll taxes, workmen's compensation insurance applicable to ordinary payroll, etc., are not insurable expenses for value purposes, with certain exceptions. Where the coal operator is required to pay a minimum royalty on a time basis, this item should be included in the U. & O. coverage. A feature peculiar to coal mines involves the vacation pay of the coal miners when the mine is not operating. This labor expense, while in the nature of ordinary payroll, should in some instances be included in the U. & O. value under item 1.

Mr. Gallagher also deals with the more important types of insurable expenses about which there appears to be much confusion in the minds of most adjusters and brokers dealing with coal mining risks.

Where the coal mining form or endorsement is used, Mr. Gallagher believes that the total expense of heat, light and power is insurable. The expense of power invariably continues to some degree when a mine is shut down since drainage and ventilation must be constantly maintained. Furthermore, many companies have minimum power provisions in their contracts with utilities, and this minimum may exceed the amount used for drainage and ventilation when operations are totally suspended. The full expense and not the minimum charge under the utility contract should be included in the value.

In case of the average manufacturing risk, when production is suspended a substantial portion of the depreciation will discontinue. In coal mining, cars, steel rails, trolley wires, etc., are always subject to action of the elements and when not in active use corrosion is likely to occur. Many engineers feel that a large portion of the normal amount of depreciation expense will continue if operations are suspended.

The contract of operators with the United Mine Workers of America provides an annual vacation pay allowance of \$100 for each miner. The prevalent practice among operators is to set it up on a monthly accrual basis of \$8.33 per man, to have the fund available when it becomes due. This full expense should be insured as important payroll under item 1, and included in the value. This is the case in the bituminous fields, but there may be different contract provisions regarding vacation pay in other fields and these should be closely scrutinized whenever applicable.

Ventilation and drainage of mine workings must be maintained in the event of shut down, and the labor cost involved, though not much, should be classified as important payroll and an estimated annual amount included in the value under item 1. A certain amount of maintenance labor probably will continue in event of a shut down and an allowance should be made for including an estimated annual amount in the value for this under item 1. Other insurable items pose no special problems.

Names Howell, Walnum

Providence Washington has appointed Paul Howell safety engineer at San Francisco and James H. Walnum special agent for the California south coast territory. Mr. Howell formerly was a safety engineer for Royal-Liverpool and Mr. Walnum has been a California special agent for Security of New Haven.

Bonus for Aetna Fire Employees

Aetna Fire has voted a bonus for its 3,500 employees. The bonus, to be paid before Christmas, will equal 50% of each employee's salary for November of this year.

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Finds Catastrophe Medical Cover Has Strong Sales Appeal

NEW YORK — Equitable Society's new in-hospital catastrophe medical expense policy is steadily increasing in popularity with the public and the agency force. The number of applications has hit a current pace of more than 400 a week. A considerable sales expansion is expected from the introduction of the plan in California Nov. 15 which made the coverage available nationwide. A direct mail campaign tried in one area of Texas brought a 10% return. In that drive, the company used promotional stuffers in mail that was going to be distributed anyhow.

Most Buyers Have Hospital Cover

A spot check of 300 written cases showed 75% of the policies were on people who already had some basic hospitalization insurance, but who wanted "catastrophe" coverage as supplemental protection. An analysis of more than 2,000 written policies showed that coverage for husband, wife and children was taken out in 49%, for husband and wife in 21%, by individual males in 15% and by individual females in 11%. The wife and children bracket accounted for 3% and husband and children for 1%.

So far, the distribution shows approximately 55% taking the \$2,500 limit, and 45% the \$5,000, while 34% took the \$100 deductible, 28% the \$300 and 38% the \$500 deductible. The average premium has been about \$75 per year, with annual payments in 68% of the cases.

Chance for One-Call Sale

The policy lends itself to a one-call sale. It offers a fresh approach to prospects with something "new" and "hot"—something they have never before had a chance to buy. Agents have earned additional money by selling it. Sometimes a sale of the medical expense policy has led to a sale of life insurance too. Some have sold it where they couldn't sell life.

Many of the agents successful in selling it use doctors as centers of influence. They are understandably interested in voluntary insurance that indemnifies against medical costs and are generally cooperative.

Mass. Supreme Court Upholds 1950 Auto Rates

Massachusetts supreme court has reaffirmed the right of the insurance commissioner to fix compulsory automobile rates on a zone basis, and ruled that the 1950 rates were valid despite the fact that the commissioner failed to publish them by Sept. 15 as required by law.

The ruling upheld Judge Counihan of the supreme court, who had dismissed a petition for a flat rate.

Advanced Casualty Course at Mich. State College

LANSING, MICH. — An advanced casualty and surety course, given under joint auspices of Michigan State College, Michigan Assn. of Insurance Agents, and the Michigan department, was attended by about 40 agents, with eight company men as instructors. Subjects covered included surety, boiler, money, securities and the "three D" policy, automobile, comprehensive liability and balanced production through building up varied lines.

Instructors were Harris Carr, Fidelity & Casualty; C. A. Keith, Fidelity & Deposit; C. L. Miller, Standard Accident; George Taylor, U. S. F. & G.; Detroit; James Stewart, Hartford Accident; Gaylord Knudson, Zurich; Sheldon S. Pond, American Surety, and Larry McDonnell, American, all of Detroit. Jack Butterick, executive assistant to Commissioner Navarre, represented the department at one session, and Waldo O. Hildebrand extended greetings for the Michigan association.

Travelers Ups Employee Pay

The Travelers companies have announced salary increases for their some 12,000 employees in the United States and Canada. The increases, effective immediately, were made on an individual basis. The companies followed their customary practice of giving raises determined by consideration of each employee's work and responsibility.

Auto Rate Hearing in N. C.

RALEIGH—Evidence supporting the proposed \$2 million annual increase in auto liability rates in North Carolina was presented at a hearing here before Commissioner Cheek by William H. Brewster, manager of the auto division of National Bureau of Casualty Underwriters, and J. M. Muir, secretary of Mutual Insurance Rating Bureau. They contended that North Carolina rates are out of line in countrywide comparison and a rate rise is an emergency need.

The bureaus have asked for the following increases: 25.2% P.D.L. and 7.7% B.I. for private passenger autos; and 24.2% P.D.L. and 3% B.I. for commercial autos.

The increases wouldn't affect trucks, buses, taxicabs or for-hire vehicles.

Commissioner Cheek said he would make his decision as soon as he could.

Also appearing at the hearing were T. A. Wilson, president of Textile Ins. Co. of High Point; W. F. Laughlin, general manager, and Paul Mize, assistant manager, of North Carolina Auto Rate Administrative Office; S. G. Otstot, executive secretary of North Carolina Assn. of Insurance Agents, and Earl Johnson, Raleigh agent.

Urges School Liability Cover

PIERRE, S. D. — Schools should take out liability on their bus drivers, Attorney General Dunham of South Dakota says. While the school district may be immune from liability, he said, the driver is not.

Still Argue Okla. Rates

The public believes it has not been dealt with fairly on the increase in automobile property damage rates in Oklahoma, a member of the legislative sub-committee studying the rate situation told the state insurance board last week. Rep. Dean Smith of Tulsa said

the public considers the financial responsibility law as a compulsory insurance law, and the understanding, he said, was that if everybody bought liability insurance the cost would drop.

Finis LaFon, board actuary, said that Oklahoma rates would have gone up much more had they been based on Oklahoma experience only. Loss experience in other states was used somewhat in estimating Oklahoma rates.

Northwestern National Life Halts Group Cas. Writings

Northwestern National Life of Minneapolis has called a halt to the writing of new group casualty business. A telegram from the home office to regional group staffs explains: "Effective immediately and until further notice the writing by this company of all new group casualty coverages is discontinued. Heavy writings and high claim ratios have led to the decision to pause and take stock of the situation."

Provision has been made for closing cases on which proposals are outstanding. Company officers have stated that it is impossible to forecast what the future course of the company will be until the situation has been studied.

HIGH SPOTS IN HISTORY

25: NEW HAMPSHIRE



BIRTHPLACE OF THE COACH

One of the early industries in New Hampshire, about 1813, was the building of wagons and coaches at Concord. These coaches were not only used to carry passengers and mail in this country, but were shipped to Australia and South Africa.



SHOE MANUFACTURING CENTER

The first shoe factory was built at Weare in 1823. Before this traveling cobblers made shoes, going from home to home. Today shoemaking is a leading industry in New Hampshire.



CENTER OF THE TEXTILE INDUSTRY

New Hampshire's beginning as a textile center came about in 1801 when a carding mill was built at New Ipswich. A cotton mill was built in 1804, and what was later to become one of the largest cotton mills in the world was established in 1809.

ALWAYS A HIGH SPOT . . .

. . . among insurance agents is when they join Hawkeye-Security & Industrial.

These agents know that these two companies do everything possible to help them build volume. They can depend upon Hawkeye-Security & Industrial to provide prompt settlement . . . every sales aid . . . and skilled field representatives to work closely with them at all times.

HAWKEYE-SECURITY INSURANCE CO.
INDUSTRIAL INSURANCE CO.

Des Moines, Iowa



Would Give Ear to Reinsurers

(CONTINUED FROM PAGE 1)

as executive vice-president of National Assn. of Casualty & Surety Agents, and Walter Sheldon of Chicago, as vice-president of N. A. I. A. after Mr. Maloney had given his report.

Mr. Lamble had asked to have the N. A. I. C. recommendation of December, 1950, as to a ruling on sliding scale commission deferred until the study which the Maloney committee recommends.

Can't Buy Insolvent's Claims

The subcommittee called attention in its report to a clause in a reinsurance contract which permitted the reinsurer to purchase claims against an insolvent ceding insurer and settle its obligations under the reinsurance contract by surrendering such claims to the liquidator in offset. This in great part nullifies the insolvency clause and reduces materially the amount for which the reinsurer can settle its liability as contemplated by the insolvency clause. At the Chicago meeting of the subcommittee none from the business sought to justify this type of provision, and the subcommittee recommended that no credit be allowed for reinsurance under a contract containing such a clause.

Support of a method of preserving the sliding scale commission was unanimous among members of the industry who spoke at the subcommittee hearing. Mr. Lamble said he thought the subcommittee had given the subject fair study but had stressed too much sound accounting principles. He pointed out that the 10% idea in his proposal was taken from state laws and that the federal government recognizes a similar ratio.

The effect of not allowing full credit for provisional commissions, Mr. Lamble said, is that eventually the sliding

scale contract will be destroyed. He noted that one study showed in only 22 of 130 reinsurance contracts was the provisional commission the same as the minimum commission. Ceding companies will ask for the provisional commission as a minimum.

Mr. Stone asked how the business could justify a showing of a commission as earned when it is not earned?

Can the business anticipate a 30% loss ratio just because it has been that for years, Mr. Maloney asked.

Mr. Lamble urged a more thorough consideration of the proposal. He noted that the members of the subcommittee may not be in office several years from now, but the business will be suffering from their action for years. No legislation will stop sharp practices, he declared; 10% may be too high, but there should be some alternative.

Would Further Tighten Market

What about the company that cedes off business to improve its surplus position, Mr. Stone asked. Mr. Lamble recalled the squeeze on the market that began in late 1945, and said many companies would not be in business today if it had not been for the sliding scale.

The general result of the subcommittee's failure to accept some such proposal will be a further tightening of an already tight reinsurance market. Some reinsurers, he said, already have quit writing new business for the remainder of the year.

That will force the ceding companies to buy reinsurance and the commission will stay low, Mr. Cheek suggested. The effect of that would be to stop companies growing that are able to grow, Mr. Lamble replied.

Mr. Cheek expressed himself sympa-

thetic to the earnestness of the business in supporting the proposal, but stuck to his guns that it would violate accounting principles. He noted that all insurers have an equity in the unearned premium reserve and that they would be entitled to it under the Lamble proposal even if they don't reinsure.

Mr. Maloney called on Chase Smith of the Kemper group, after calling attention to the fact that Mr. Smith wants to allow the credit, even if the provisional commission exceeds 10% of policyholders surplus, whereas the Lamble proposal provides that if the credit goes over 10%, all of that credit would be disallowed.

Mr. Smith said he was reluctant to subject himself to further abuse by the subcommittee, which drew a laugh from its members and the audience. He said the sliding scale contract that allows commissions in advance, does look to commissioners like a violation of accounting principles but that this is not quite the case. What has happened in these transactions is that the ceding company is allowed a commission, the provisional commission, and the money is in the bank to the credit of the ceding insurer.

Would Kill the Contract

The rule will eliminate the sliding scale contract, he said. If the credit is eliminated, the means is eliminated. He noted that the insurer desperate for surplus help is very likely to go out and buy the worst reinsurance contract on the market, one that contains a very high flat commission.

The general effect will be to lower standards in reinsurance. Remember that the provisional commission is in the hands of the ceding company, he urged. He doesn't think there will be any abuses, for example, by a reinsurer paying too high a provisional just to tide a company over the year end. The commissioners do a great disservice to the business, especially to the smaller companies, in a very bad time. As a matter of fact, he added, the reinsurance market in the United States always is somewhat tight because it is too small to handle the increasing load that has been placed on it.

There are other contingencies not taken into account in financial statements. Even today, great companies are cutting down their writings just because of the operation of the reserve requirements on financial statements. The fact that this is a technical contingency shouldn't be used to discourage a good practice.

Statement Not Perfect

It was the impression of the business that the commissioners originally were desirous of setting up safeguards against the misuse of the sliding scale, A. G. Machold of American Reserve, commented. The idea was to guard against fictitious deals. There are other respects in which the annual statement is not absolutely sound from an accounting viewpoint. For example, expenses are charged against written premiums.

Mr. Maloney expressed himself as impressed with the sincerity of the group. He wanted the business to specify more precisely what it anticipates will happen to the sliding scale. The reply was that the minimum and provisional commissions become the same, thus forcing up commissions. Does this mean that the business is looking to the commissioners to protect reinsurers from ceding companies? Mr. Lamble replied that it is and also from competition among reinsurers. Mr. Machold said that once the provisional becomes a minimum, the underwriter of the ceding company becomes careless; the underwriting attained by the sliding scale commission no longer exists.

"You want us to recognize a credit that you won't guarantee," Mr. Maloney commented. He added that he was hopeful that the business might come up with another approach to the problem, because the commissioners are sympathetic with it.

Mr. Lamble said there had not been time, the subcommittee's report did not reach the business until two days before the meeting. He urged the subcommittee to hold the matter open and Mr. Maloney agreed that it is a subject for reconsideration. The business can bring it up again. Mr. Cheek added that if the business can come up with something the commissioners will be glad of it. The subcommittee is not making a recommendation but leaving its recommendation as before. In other words, it is not proposing anything to the executive committee.

Mr. Smith said he was glad to know that the commissioners would consider it if the business came up with a holler. He then went on to suggest that the business should survey the scene and learn how many sliding scale contracts are in effect, also how far apart the provisional and minimum commissions are—that is important.

Capacity a Big Problem

Frank Newman of General Security said that reinsurance exists only as a necessity and that the subcommittee's action is disrupting the whole reinsurance business.

C. F. J. Harrington of National Assn. of Casualty and Surety Agents said that his members are finding it difficult to place business because of lack of capacity. This is a poor time further to restrict the market.

Franklin R. Fort of Constitution Re said he represented a small company and added his support to the other members of the business.

CATASTROPHE PLAN

The subcommittee indicated an interest in the proposal by Mr. Diemand. The proposed plan would segregate excess of loss reinsurance premiums as a separate line of business in the annual statement and establish a method of reserving to spread the underwriting results of the business over a five year period instead of reviewing results on an annual basis as is the case now. He said since the proposal originally was published it has received highly favorable reaction among companies and there has been no adverse criticism.

He submitted a suggested resolution which would put the subcommittee on record as approving the principles of the proposal and constitute a recommendation to the executive committee of N.A.I.C. that it endorse the plan in principle and refer the problem of implementing the plan to appropriate committees.

Responsibility for catastrophic reinsurance has shifted to the U. S. a good deal in recent years, Mr. Diemand noted. Many new companies are entering the field without prior experience and he be-

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lieves the plan would help them avoid the pitfalls of what is a comparatively new business.

He said the reinsurance market is very tight and there are insurers coming into this market in the United States within a month or so that have never been in the reinsurance field before.

Hugh Garland of Corroon & Reynolds supported the plan as a buyer. He said it was essential for his group to have a catastrophe reinsurance market available, and that this has become even more apparent since the November, 1950, windstorm. In recent years American companies have entered the market and should be encouraged. However, with the development of the business, smaller companies are going to get into the field and it is important to the buyer that funds be available when there are claims.

Can Get Tax Relief

A subsidiary point, Mr. Garland said, is that companies writing excess of loss may under the Diemand plan get tax relief in between catastrophes when they are building up reserves. It is very important that N.A.I.C. require such a segregation of these premiums and proper reserving, in any negotiations with the Treasury Department.

Charles P. Butler, spokesman for Home, said that the proposal makes sense and it is very important N.A.I.C. approve it in principle. There are no earmarked funds for catastrophes.

J. Raymond Berry, general counsel of the National Board, said he was neither supporting nor criticizing the proposal, but that it involves far reaching conclusions. A board committee has been appointed to study it and has not yet had time to do so. Approval in principle at this time would imply implementation, he said. It may be found that approval will not achieve the tax relief desired. The tax statutes can be changed and this relief could fail along with the loss of other items. He urged the further study by commissioners and the business.

Earmarking More Important

Mr. Stone said it might be calamitous if the commissioners required a reserve and the companies did not get tax relief. Mr. Diemand replied that if companies didn't secure recognition by the Treasury Department they would be no worse off than today, but the most important thing is that the insurer buyer would know the funds were earmarked for payment of that kind of claims.

Mr. Berry said it might be true that companies would be no worse off, but it also might have the effect of focusing attention on other reserve situations where companies could lose credits—and then they would be worse off.

There was practically no discussion of the action with respect to London Lloyds, although one suggestion was that the effective date should be Dec. 31, 1952 to give time for insurers with Lloyds contracts to get their accounts in shape.

In executive session, the Maloney subcommittee voted to defer recommendations on the Diemand proposal till the next N.A.I.C. meeting.

New Assn. in Maryland

MONTGOMERY — Prince Georges Assn. of Insurance Agents was formed at an organizational meeting at College Park, Md. H. H. McFarlin was elected president.

Other officers are Frank L. Hewitt, vice-president; John L. Palmer, secretary, and Harry O. Wilkinson, treasurer.

San Antonio Has Day

A solid speakers' program, coupled with a hearty appetite on the part of the agents for education, made the first "Stock Companies' Insurance Day" sponsored by San Antonio Insurance Exchange highly successful.

Speakers were L. C. Berry, exchange president; Newton W. Jackson, San Antonio agent; Norris Parker, manager

of Texas Insurance Advisory Assn. and Texas Insurance Checking Office; Ben Culwell, special agent of Frank Rimmer & Co., Dallas general agency; J. B. Alderdice, who has charge of the Texas financial responsibility law; Charles Robuck, director of general liability of the Texas department; C. E. Klein, Aetna Casualty, and Travis Bailey, president of Texas Assn. of Insurance Agents.

Ponder Self-Insuring Giant L. A. School Line

LOS ANGELES — Los Angeles board of education has employed an auditing firm to audit the insurance carried on its physical properties with a view to determining whether a program of self-insurance eventually would effect an economy. The line totals \$125 million, one-fifth of the coverage expiring each year.

Before 1949 the line had been handled under an agreement with Insurance Assn. of Los Angeles, with some 1,800 agents and brokers participating in the commissions, and with approximately 100 insurers on the line.

In 1949 as the result of asking for bids the line was revised, and Cosgrove & Co. and Allen T. Archer Co., both of Los Angeles, as joint bidders, were awarded the coverage. Johnson & Higgins and Marsh & McLennan also submitted bids. The insurance was evenly divided among U. S. Fire and North River of the Crum & Forster group, and Continental and Fidelity-Phenix of the America Fore group.

The change to the present setup caused a furor among insurers and producers. All the dailies were tagged by Pacific Fire Rating Bureau, on the ground of justifying the rates. The policies since have been cleared by the bureau, save for that provision of the excess clause in the contract which reflects a credit in the primary.

A. S. Nibecker, Jr., board business manager, said the estimated average rate for five years under the new plan is .378, as against .63, resulting in a net five-year saving of about \$125,000. Essential changes, he said, were a change of insuring value from 58% to 83%, elimination of some 1,800 policies, installation of automatic coverage for new construction, and the submission of written engineering reports periodical-ly by trained fire protection engineers.

Board Member Under Fire

WASHINGTON—Adelbert W. Lee, insurance, real estate and appraisal man, is under fire with demand for his resignation as vice-president of District of Columbia board of education, because of his sale of fire and casualty insurance policies to principals of 13 D.C. elementary schools. The board of education is appointed by the district court and its members serve without pay.

Mr. Lee said there has never been any attempt to intimidate or coerce school officials to buy insurance; that a number of his policies were sold before he joined the board in 1943 and have been renewed since; that there is nothing illegal about his sale of insurance, no "undue influence or pressure"; that several schools carry policies with other agents or companies.

Lee said he submitted a bid several weeks ago on insurance for several driver training cars owned by the school system, but didn't get the contract because his bid was not low enough. If he had been abusing his official position and intimidating people to get business, Lee said, he would have gotten the contract.

Jack H. Dwyer of the C. S. Sinclair & Co. brokerage firm has been elected "man of the month" of the San Francisco Junior Chamber of Commerce in recognition of his activities along traffic safety lines. At a special luncheon in his honor, he was also reappointed chairman of the group's safety and transportation committee.



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Policy on Insurance Sales to GI's Confused

By HENRY HALLAM

WASHINGTON — Differences have developed among insurance and personnel officers of the armed services with respect to a regulation or policy dealing with the sale of insurance at military installations or to military personnel. Service officers and department officials having insurance background or experience hold there should be uniformity in the service in requiring that an insurance company or agent doing business with personnel at a military establishment shall have a license from the state where such facility is located. However, it is understood that the proposed policy approved by responsible officials of the services and submitted to those higher up for final recommendation to the top does not go as far as that.

The policy that is said to be recom-

mended calls for no discrimination by military authorities against any company, no matter how small or possibly unsound, whether licensed or unlicensed. The proposed policy would continue to give a large amount of discretion to the commandant of a military installation. Although, it is said, he could not limit entree to a particular company or companies, he could limit the number of agents a particular company could have in his camp or air field, for example.

Schneider's Views

J. Thomas Schneider, a high personnel official of the Defense Department, reportedly opposes a uniform regulation or policy requiring a company or agent to be licensed by the state where the military facility is located.

Under present policy, a company licensed by one state can solicit busi-

ness of military personnel at a facility over which the U. S. exercises exclusive jurisdiction in any state.

Insurance officials in the department want a "tighter" policy, because they get complaints from servicemen and their parents of the sale of policies by more or less unreliable companies or agents or at excessive rates. However, insurance observers believe solution of this problem must await the indefinite future.

Complication of Problem

One complication of the problem is represented by local or state political considerations or congressional complaint and influence.

Insurance sections or division of the armed forces receive many complaints and charges concerning insurance matters. They come from insurance commissioners, companies, agents, salesmen and others. Ninety per cent of these complaints are said to relate to life insurance.

An interesting case recently receiving departmental attention was that of local commandant requiring military personnel under him to have auto insurance on cars they maintain outside the military reservation. It was held, upon complaint received, that the commandant could not impose such a requirement off the base.

Complete and final solution on an ideal basis of insurance problems confronting armed services and defense department higher-ups, one service insurance officers said, would involve establishment of an insurance department or "commissioner" within the department or service empowered to investigate companies and agents, rate them, and authorize them to do business on military reservations with service personnel, or reject them.

Realizing such a setup is not practicable, even if legal, the next best thing would be for the services to rely upon the state commissioners and adopt the policy of permitting insurance companies or agents to do business on a reservation only if they are licensed by the state in which the reservation is located. This is the opinion of department and service insurance officers.

O.K. Renewal Plan for Farm

The annual extension (renewal) plan and the installment plan have been approved in Kansas for farm properties. They had been previously led for other risks. Legal liability insurance has also been approved in Kansas.

Honor Travelers Milwaukee Men

A dinner meeting was held at Milwaukee by Travelers to honor Earl E. Langworthy, claim manager, who is observing his 40th anniversary with the company; Raymond E. Richardson, field auditor, his 25th anniversary; Irving A.

Loughlin, supervising casualty field underwriter, who will retire at the end of this year, and William W. Frost, assistant life manager, who has been appointed life manager at St. Paul.

New Committee Chairmen of Kansas Association Named

Committee chairmen of Kansas Assn. of Insurance Agents have been named by President Howard Fullington of Dulane, Johnston & Priest, Wichita. They include: Fire prevention, Preston Bacon of Northcott-Bacon, Newton; safety and accident prevention, Dorth Coombs, Wichita; membership, W. O. Wanamaker, Topeka; farm writing agents, Alex H. Case, Marion; local board and education, Robert Charlton, Lawrence; legislative, Laurin W. Jones, Dodge City; conference, George Bacon, El Dorado; finance, Paul H. Heinz, Jr., Hussey agency, Topeka; speakers bureau, B. J. Weldon, Dulane, Johnston & Priest, Wichita; grievance, Joe Modrell, Wichita.

The executive committee has scheduled its first meeting of the year for Dec. 17 at Wichita.

Rowell Joins Cal. Bureau

John H. Rowell, with the actuarial division of the Kemper group at Chicago since 1947, has joined California Inspection & Rating Bureau as actuary.

Mr. Rowell started in insurance in 1939 with the Pennsylvania department, where his experience principally was with workmen's compensation claims. He then spent three years as actuarial assistant in the group department of Connecticut General Life. He is a fellow of Casualty Actuarial Society.

Seek Auto Inspection Law

LANSING, MICH.—Sentiment seems to be growing in Michigan for a compulsory motor vehicle inspection law, with likelihood that serious consideration will be given to such a measure at the 1952 legislative session. Sen. Lane of Flint has announced he will introduce a bill along the lines recommended by many highway safety agencies.

Examine Combined of Chicago

The Illinois department has concluded an examination of Combined of Chicago covering the period July 1, 1947-Dec. 31, 1950. The examination shows assets at the latter date of \$3,339,466 and net surplus of \$538,859. The Combined is the result of a series of mergers and title changes, beginning with Cooperative Casualty of Pennsylvania in 1919. W. Clement Stone is the president.

Object to Multilocation Rules

In a resolution of the Kentucky Assn. of Insurance Agents at its recent convention agents protested the new multiple location business rules and regulations effective in Kentucky and other states. The resolution said that the authorized granting of credits in rates and premiums based on insurance to value, size of premium, distribution of risk, number of locations, loss experience under certain specified policy forms and the denial of those privileges under other similar policy forms is illogical and discriminatory. The condition can and will produce intolerable situations in the orderly and ethical conduct of the business, the resolution said and it urged incoming officers to explore the matter and take proper action.

Insurance Women of Milwaukee held a Christmas dinner party in place of their regular meeting Dec. 3. They will give their Christmas party for the women residents of the Milwaukee County Infirmary Dec. 15.

At a dinner-meeting of Insurance Women of Racine, Wis., Ruth Karnes spoke on her recent trip to Bermuda. Plans were made for a Christmas party to provide baskets for several needy families.

The bosses night dinner of Insurance Women's Club of Oklahoma City brought out a banner crowd. After-dinner speaker was Russell Holloway, attorney. J. B. Rivers was master of ceremonies.

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N.A.I.A. Criticizes North America Deviation in Ill.

NEW YORK—The theory of basing rate deviations solely on a reduction in commissions is vigorously opposed by National Assn. of Insurance Agents. The executive committee at its meeting here questioned the legality of the recent rate deviations granted North America companies on certain classes of fire business in Cook county, Ill. Through a letter directed to the chairman of the managing committee of Cook County Inspection Bureau by President J. F. Van Vechten, the committee expressed the conviction "that the Cook County Inspection Bureau should earnestly oppose the present position of North America companies in Cook county and vigorously maintain the integrity of bureau-promulgated rates."

At the close of the meeting, members of the committee attended the midwinter meeting of N.A.I.C. All members of the committee were in attendance.

Premium Not "Tendered" by Payment of Account

On the ground that cancellation of the policy had not been effected because the unearned premium had not been placed in the hands of the insured but instead had merely been credited to her account at the local agency, South Carolina supreme court has affirmed a lower court decision giving an insured \$1,800 recovery on account of a collision loss against Middlesex Mutual Fire. The case is 36 CCH (Automobile) 1146. Mrs. Mamie C. Elmore of Greer, S. C., was the insured. The collision occurred Jan. 14, 1949 and the policy was written by the B. A. Bennett agency at Greer.

An employee of the agency testified that he went to Mrs. Elmore's home Oct. 14, 1948 and informed her he had been instructed to cancel the policy and tender her a check for the unearned premium. He said she refused to return the policy and he told her that she would receive a cancellation by mail. Mrs. Elmore, on the other hand, denied that the matter of cancellation was discussed or any tender of unearned premium was made.

Middlesex Mutual offered in evidence the check book of the B. A. Bennett Co. containing check stubs bearing the date of Oct. 14, 1948 payable to Mrs. Elmore the sum of \$40.12. This evidence was excluded by the court and the supreme court said the lower court did not err in excluding these check stubs as evidence.

Notice of cancellation was mailed Oct. 19, 1948. According to the testimony of Middlesex Mutual, Mrs. Elmore, having refused to accept the check for the unearned premium, was given credit upon her account and was so informed while making a periodic payment on her insurance account on Jan. 4, 1949. Mrs. Elmore denied that she was told that the policy had been canceled or she had been given credit for any amount.

It is clear, according to the supreme court, that the unearned premium was not returned to Mrs. Elmore, but was returned to the local agent and the latter was permitted to credit this upon Mrs. Elmore's account.

The supreme court said that an insurer cannot refund an unearned premium by crediting it on some other indebtedness owed to the insurer by the insured nor can the refund be made effective by applying it on the account which the insured may owe the insurer's agent.

125 at Cal. Brokers Rally

LOS ANGELES—More than 125 insurance men attended the meeting here of the southern California district of Insurance Brokers Exchange of California.

A comprehensive review of exchange activities since the last meeting was given by Jack Derrough, secretary, and Hal Wilson, president.

Assemblyman Ernest R. Geddes of Pomona, chairman of the legislative insurance committee, spoke briefly and John Spencer, head of the Lloyds department of Swett & Crawford, gave a history of Lloyds.

Deal for Producers Ins. Co. of Cal. Falls Through

SAN FRANCISCO—Argonaut Insurance Exchange, workmen's compensation carrier of San Francisco, which entered into a conditional purchase agreement with Producers Underwriting Corp., holding company for Producers Insurance Co., in October has withdrawn its offer. An officer of Argonaut said that after managing Producers for one month it was found that some of the major conditions upon which the proposal was based were impossible of accomplishment.

However, negotiations are pending for another deal which may be consummated within the next few weeks, according to Sidney Weinstock, attorney for Producers.

Edward Brown & Sons, which made a proposition to Producers' directors which was rejected, has been reinsuring a number of Producers agencies throughout California on a selective basis.

Most of the Producers stockholders are prominent California agents, including Harry R. Schroeter, Neil Harris and C. M. Putnam, all past presidents of California Assn. of Insurance Agents.

Honor 115-Year-Old Agency

Officers and employees of the Mason agency at Keene, N. H., were dinner guests of Aetna Fire in honor of 115 years' representation there.

Honored guest was Robert Tilden, grandson of George Tilden, founder of the agency. Warren Wright, state agent of Aetna, was toastmaster. Robert Babcock, secretary of the Mason agency, paid tribute to the founders of the agency and those who have aided its progress.

Other guests were Henry Hersey, assistant manager of Aetna at Boston; Allen Tillotson and Ridgely Brown, special agents, and Lloyd Greer, executive secretary of New Hampshire Assn. of Insurance Agents.

C.P.C.U. Class at Denver

The first C.P.C.U. class at Denver, under the auspices of the University of Denver, is being taught by Arthur Mason. There are 23 students enrolled.

Civic Groups Join Drive

In connection with the traffic safety-public relations program of Oregon and Portland Assn. of Insurance Agents, a dinner was sponsored Nov. 30 with representatives of various civic and trade groups in attendance.

Harold B. Larson, president of the Oregon association, served as chairman. One of the speakers was Earl T. Newbry, secretary of state.

Dorsett D. C. Assn. Speaker

WASHINGTON — J. Dewey Dorsett, Assn. of Casualty & Surety Companies, will speak at the Dec. 14 luncheon meeting of District of Columbia Assn. of Insurance Agents.

Form New Club in W. Va.

BLUEFIELD, W. VA. — Tentative plans for organization of southeast West Virginia Insurance Club were perfected at a meeting held here with insurance men from five counties in attendance.

Claude D. Minor, president of Virginia Fire & Marine, and Commissioner Crichton of West Virginia were the principal speakers.

Arden J. Curry, assistant to the commissioner, and Roy S. Thompson, executive vice-president of the Flat Top agency, Bluefield, also spoke. Edwin Ratcliffe, Beckley, president West Virginia Assn. of Insurance Agents, was in attendance.

Officers elected are: President, John G. Bruce, Bluefield, manager General Adjustment Bureau; vice-president, C. V. Feller, Mullen; secretary, Ralph B. Taylor, Bluefield, secretary Flat Top agency.

The club will hold an annual Insurance Day to promote the interests of agents representing all segments of the business in southeast West Virginia.

Security Valuation Changes Affect Life Companies Only

NEW YORK — Fire and casualty company executives turned out in good numbers for the meeting of the N.A.I.C. committee on valuation of securities here but they sat back on being reassured by Bohlinger of New York, committee chairman, that the proposed new rules for evaluating life company securities would not apply to them.

The life companies have been trying for several years to get a more stabilized basis for security valuation, which would allow them to carry more securities at amortized values rather than

at market. Since they are primarily long term investors, they say they don't have need for the liquid position of fire and casualty insurers.

At the meeting the commissioners okayed part of the life company proposals and agreed to several of the principles of evaluation they want. But, although they agreed to let companies build up reserves aside from surplus to absorb fluctuations in security valuations, they did not grant them the authority to carry in their statements as many securities on a long-term basis as the life business wanted.

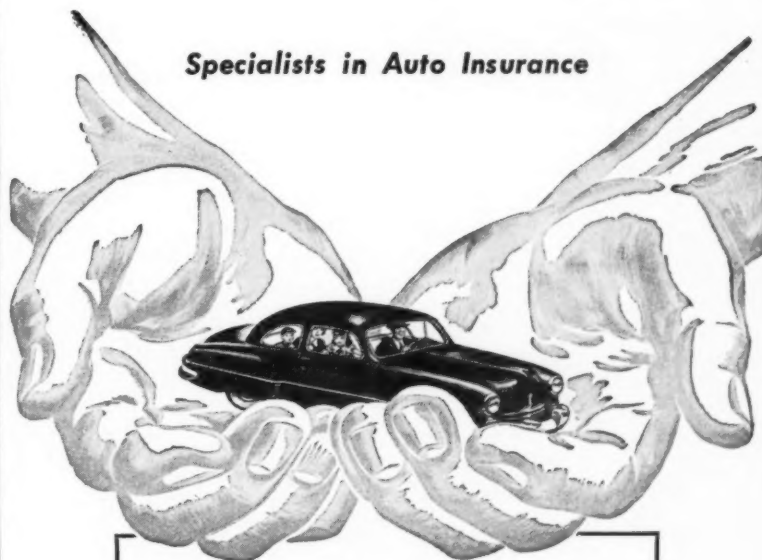
There was an indication, however, that during the next year some security valuation changes may be considered that will effect the fire and casualty companies.

Extra Dividends Declared

Bankers & Shippers has declared an extra of 60 cents, payable Dec. 14 to holders of record Dec. 6; Jersey 30 cents payable Dec. 18 to holders of Dec. 6, and Pacific Fire 80 cents payable Dec. 13 to holders of Dec. 6, the same extras were paid last year.

The Christmas party of Denver Insurers Assn. will be held Dec. 13 at Lakewood Country Club.

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VA Reimbursement Heats Discussion

(CONTINUED FROM PAGE 21)

Underwriters reported that the new standard provisions bill was enacted in 1951 in 17 jurisdictions and expressed the hope that in the next two years all other states having law in conflict with this model bill will enact the measure.

Bittel Report

W. H. Bittel, New Jersey actuary, reported for the subcommittee on policy benefits in relation to premiums.

In the report of May 25, 1951, Mr. Bittel said, it was proposed that the data appearing in the A. & H. policy experience exhibit should be on two lines for each policy form: The first year's business on the first, and the renewal business on the second. This was to meet the objections raised by industry to the use of experience where first year and renewal business are combined in the reporting for and which industry contended was distorted.

The industry committee has now advised that such a segregation would serve little purpose and that the reporting on a segregated basis should be left optional with each company. The original proposal was made by the Bittel committee in order to assist the company to justify an unsatisfactory experience with a policy form. Since industry now contends that it will be satisfied with the segregation on an optional basis, such reporting should be left to the discretion of each company. The policy experience should be revised to reflect the amount of policy or membership fees or excess premium amounts. The information which has been furnished under the present exhibit is of no value. The caption of the column relating to these items should be changed to require that the amounts be shown therein. The industry has requested that reporting of these items be on a permissive basis and the Bittel group agrees.

There should be established a uniform reporting procedure for schedule form policies. This form of policy has destroyed the value of the exhibit where no separation is made of the experience for the various combinations of coverages issued thereunder. Hence the experience under schedule form policies should be reported separately for each combination of coverages issued under the form.

A uniform numbering system should be adopted by each company. This is

to bring policies with identical coverages, differing only as to minor exceptions required by various states, together in the policy experience exhibit.

"In analyzing the data produced by the policy experience exhibit the approach has been to find a loss ratio to use as a standard by which to measure and evaluate the information given on a particular policy form," the committee said. "We were tentatively considering the use of a stipulated percentage of loss ratio below which the benefits under a policy form would be presumed to be unreasonable in relation to the premium. The premature release of this figure created an erroneous impression that it was intended to represent a satisfactory loss ratio. This reaction has tended to restrain your subcommittee from recommending any standard at this time. Furthermore, the industry committee has taken serious exception to the fixing of an absolute minimum loss ratio for any policy. Our sessions with industry have been unproductive as to any other alternative. It is the position of the industry that the matter of handling policy forms must be at the individual state level.

"In view of these developments your subcommittee requests further instructions as to the course to be followed in the completion of its appointed tasks."

On motion of Stone of Nebraska the subcommittee was extinguished that was assigned to deal with minimum requirements, benefits and fair trade practice. This was related to the California situation.

Cal. Assigned Risk Hearing

Hearings have been set by Commissioner Maloney for Los Angeles Dec. 20 and San Francisco Dec. 21 to consider petitions by the governing committee of the California assigned risk plan for changes in the rules and regulations.

One amendment would permit an insurer to decline to insure a risk as an assignment if it has had the risk in excess of three years. Under another an insurer that has had a risk under assignment for three consecutive years shall on expiration of the current policy issue a renewal if the applicant shows that he has within 60 days been unable to secure automobile B.I. and P.D. coverage through ordinary methods. However, the insurer may refuse to issue such renewal policy if it notifies the manager, the insured and the producer of its intention at least 45 days before expiration. Under the notice if the risk is unable to secure insurance, reapplication may be made to the plan and such application would be considered a new application.

G. I. Auto Limits Reviewed by NAIC

(CONTINUED FROM PAGE 21)

business as a public relations matter of the gravest importance, Mr. Day urged.

National Assn. of Insurance Agents is fully aware of the problem, and if commissioners bring out something, N.A.I.A. will get behind it and do everything possible, Walter M. Sheldon, Chicago, vice-president of N.A.I.A., said.

Boiler and Machinery Filing

National Bureau has asked 5% for profit and contingencies in its boiler and machinery filings and the factor has been approved by many of the states, Mr. Leslie said. The idea here is to include the factor in all filings as they come up.

Crichton of West Virginia, the chairman, suggested a subcommittee of the casualty committee to sit with the bureau and go over the details of this development. This will be done. One point he raised was the effect of a single state, as New York has done in okaying 5%, on action by other states. The matter should be considered by all states.

Mr. Leslie said also that the bureau has revised expense provisions by various lines and contemplates using them as the bureau files particular lines. The bureau has studied the casualty expense exhibit as suggested by commissioners and compared the expenses with the structures underlying present rate formulas.

Under the all-industry bill, filings are not public till approved, and commissioners said the departments get some criticism that they are operating behind an iron curtain. Embarrassing situations arise, particularly when companies notify agents not to renew certain kinds of insurance because a rate change is coming, and then the departments are called for the information. It is embarrassing both politically and as a matter of public relations. The possibility of a rate change should be kept as secret as possible by the companies, it was suggested. The arguments in favor of secrecy outweigh a converse course, it was generally agreed.

Lay Arizona Groundwork

LOS ANGELES — At the request of Deputy Director Nason of Arizona, a meeting has been scheduled here Dec. 7 by Perry H. Taft, Pacific Coast manager of Assn. of Casualty & Surety

Companies, for the election of a governing committee and manager of the Arizona assigned risk plan, which is to become operative Jan. 1 at the time the Arizona safety responsibility law becomes effective.

It is contemplated that Thomas G. Aston, manager of the California assigned risk plan, will be named to head the Arizona plan. It is also expected that the California governing committee will serve Arizona.

Chicago Meeting of Claims Managers Council Draws 42

A strong program embracing the day's timely topics attracted 42 claims men to the fall meeting at Chicago of Claims Managers Council of Independent Casualty Insurers. Myrl F. Priest, Anchor Casualty, council vice-president, presided in the absence of John T. Hume, Jr., Indiana Ins. Co., president.

Speakers and their subjects were Dr. John R. Merriman, "Fractures and Disabilities"; Palmer Benson and E. M. Dean of St. Paul-Mercury Indemnity, "Office Procedure"; Vern Griffiths, superintendent of claims of Western Casualty & Surety, "Training Programs"; E. H. Schroeder, assistant vice-president of Allstate, "Claims Administration," and E. H. Lassiter, Illinois National Casualty, "Medical Payments."

In addition, the paper delivered by Henry Moser, counsel of Allstate, at the insurance law section meeting of American Bar Assn. at New York, was read by Charles Morris of the Sonnenschein, Berkson, Lautmann, Levinson & Morse law firm of Chicago. The paper, entitled "The Road for the Uninsured Motorist," sets forth the methods Mr. Moser would use to combat compulsory automobile insurance movements. Briefly, they are adoption of model safety-responsibility laws, educational programs, legislation providing for impoundment of vehicles involved in accidents if the driver or owner is not financially responsible, the creation of company operated unsatisfied judgment funds, and broadening of passenger medical benefits.

Reviews Consortium Issue

Mr. Priest in his talk reviewed the case of Hitafer vs. Argonne Co. in which it was held that the wife has a cause of action for loss of consortium due to negligence. It will be some time before insurers will know to what extent the decision will affect them, Mr. Priest said. In those states with lengthy statutes of limitation, the ambulance chasers will be kept busy digging up old cases and asserting claims for the wife where husbands have been injured.

It is generally conceded, Mr. Priest said, that the workmen's compensation policy covers such claims, but he believes much study is necessary before definite interpretations can be made. The problem, he opined, is more simple in liability cases where more than 95% of the settlements are made in a lump sum. In such instances, if determined necessary and depending on the jurisdiction, the claim man can be instructed to insist on releases from the wife and husband in every case of injury to either one.

A life membership scroll was awarded to Victor C. Gorton, vice-president and general counsel of Allstate, who is retiring Jan. 1. Mr. Gorton was a founder of the organization.

In New Home Office

Michigan Mutual Liability is now operating from its new home office at Adams and Elizabeth streets, Detroit. Formerly known as the Stroh building, the structure is now named the Mutual building and has two units, one 19 stories high and the other 11 stories.

The building is modern throughout, having flush glass windows with stainless steel trim. The first four floors will park 150 automobiles. This is the eighth move in the company's 39-year history.

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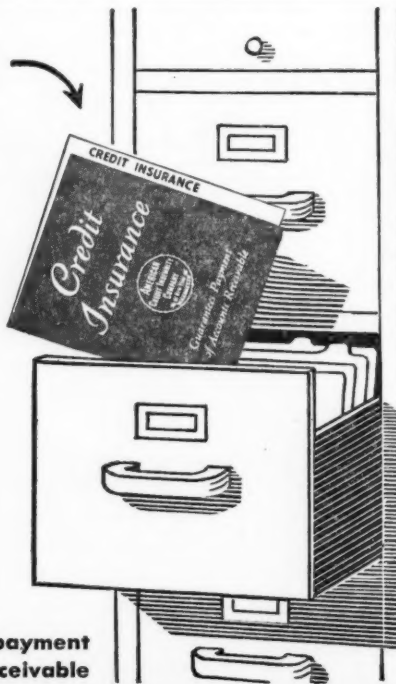
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NAIC Completes Busy New York Meeting

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four committee sessions in the morning and as many in the afternoon.

Besides the luncheon Tuesday for the entire group plus a large turnout of New Yorkers. There was a smaller luncheon gathering Monday of Passee Club International, this being the lodge of former commissioners that is carefully nurtured by M. J. Harrison of Little Rock, the celebrated receiver of Better Way Life, who is president of Passee, and by Howard Brace of Occidental Life of California, permanent international supreme secretary of Passee. Mr. Brace gave a particularly chop-licking report because 1951 has been Passee's banner year with 15 official heads having fallen. C. C. Fraizer of H. & A. Underwriters Conference was the general chairman and there was oratory by Ray Lucas of Kansas City Life and C. F. J. Harrington of National Assn. of Casualty & Surety Agents among others.

At the first plenary session, Monday morning, Superintendent Bohlinger of New York extended the welcome and Commissioner Martin of Louisiana responded. The zone chairmen introduced the new commissioners in their areas and Sullivan of Washington state announced the death Nov. 30 of Roy Rummage, the Arizona commissioner. The members of the executive committee of National Assn. of Insurance Agents who were having a meeting in the city, were presented.

An auditing committee was named consisting of Murphy of South Carolina, chairman, and Leggett of Missouri and Maloney of California.

Wants Stronger Headquarters

Frank Sullivan of Kansas in his presidential address made a plea for increasing the personnel and facilities of the central office. This now consists of the assistant secretary — Hugh Tollack — and a stenographer. In support of this he read a letter from Fire Commissioner Paul Brown of Texas asking that the central office prepare an abstract of N.A.I.C. discussions over the years on a permissible loss ratio for fire insurance, so that what has gone before can be integrated into the deliberations. Mr. Sullivan said that this is the kind of thing the central office should be expected to do, but which it is not set up to do now.

Also he said there should be means for apprising immediately every commissioner of every recommendation that is made by N.A.I.C. There should be a system to acquaint new commissioners with the reasons for model legislation, rules and policies recommended in the past and the availability of data which would help them in their local situation. Without such circulation of intelligence, the effectiveness of the work of the association is lost.

What can be done along this line, he said, is illustrated best by the work of the committee on valuation of securities.

Mr. Sullivan recommended that the fire and marine committee give consideration to overhauling the statutory fire insurance policy so as to make the contract more applicable to property insurance generally. There should be greater freedom of action with reference to insuring agreement and exclusions.

Model Licensing Bill

Ray Murphy of Assn. of Casualty & Surety Companies transmitted the all-industry committee's report in connection with the development of agents and brokers qualification and licensing. A draft of a model bill was submitted. The bill covered all types of producers including life.

Ambrose Kelly of the Factory Mutual organization criticized the bill as undertaking to make all insurers conform to the pattern that has been developed by companies that work through commission compensated independent contractors. There are substantial insurance organizations that operate out-

side the agency system, he declared. He asked for amending the definition of agents so as to exclude salaried employees and also a provision exempting such employees from licensing requirements.

C. M. Duanaway, counsel of Nat'l. Assn. of Life Underwriters, alluded to a letter on file with the committee objecting to the model bill, expressing hope that the commissioners will give serious consideration to the adoption of the N.A.L.U. model bill dealing with life agents only, which has already been enacted into law in several jurisdictions.

C. F. J. Harrington of Nt'l. Assn. of Casualty & Surety Agents spoke strongly in favor of the model bill. He said the Factory Mutuals have been going beyond their original sphere and are now doing business with property owners that are not so well equipped to protect themselves. He said he doesn't go along with the argument that a man should be presumed to be qualified because he is paid a salary or because he works for a certain company.

Kirk Landon of American Bankers Ins. Co., of Miami said that this bill would start a dog-fight in every state and stir up the vigorous opposition of auto dealers because of its prohibition against licensing anyone connected with a vendor.

E. J. Dirksen referred to a statement in the Factory Mutual brief extolling a provision said to be in the Illinois law exempting from taking examination service representatives of insurance companies. Mr. Dirksen said the provision for that exemption was eliminated in 1949.

The 1952 annual meeting is set for a good two weeks later than usual. It will be June 22-25 at Chicago's Conrad Hilton, nee Stevens.

At the laws and legislation committee meeting Wednesday morning Kavanagh of Colorado reported on the uniform deposit law project based mainly on the hearing at Denver in September. He also recommended continued study of security and insolvency funds.

Paul Brown, fire commissioner of Texas, had a fall in his bath tub and was taken to Veterans hospital.

At the rating organization committee meeting Wednesday morning some earnest appeals were made for emergency consideration for the necessities for increases in the rates for excess limits coverage. The speakers in this cause included Perry Inhofe of Tri-State Ins. Co. of Oklahoma; Vestal Lemmon of National Assn. of Independent Insurers; Walter Hays of American Fire & Casualty; E. P. Gallagher of American States, and William Leslie of the Texas department, and also the William Leslie of National Bureau of Casualty Underwriters.

Accountants Annual Dec. 7

The annual meeting of Insurance Accountants Assn. will be held Dec. 7 in New York City. The nominating committee has put up the following slate of officers to be voted on at that time:

President, George Dearborn, Potomac; vice-presidents, Paul Synor, North British; George Ladner, Security of New Haven, and E. F. Weller, Jr., Maryland Casualty; executive secretary, M. J. Roche, Corroon & Reynolds; assistant secretary, Walter H. Mosher, Boston, and treasurer-historian, Frederick W. Maasen, Fuller & Kern. J. M. Donovan of Travelers and R. C. Ratcliffe of Royal-Liverpool are nominees to the executive committee.

Marking the close of a successful membership campaign, Nashville Assn. of Insurance Women honored 22 new members at a tea. New officers are Mrs. E. C. Nichols, president; Mrs. Nora Morris, vice-president; Miss Sarah Green, recording secretary, and Miss Elizabeth Pegram, treasurer. These officers with Miss Edna Mae Gay, second vice-president of the National association, were hosts.

Collier's Surveys Insurance

A survey on insurance ownership has been made by Collier's magazine, covering fire, automobile and accident and health insurance. Roughly 4,000 replies were received with ownership of the various lines running from 77% on household goods to 23% on burglary.

Aetna Fire Declares Extra

Aetna Fire has declared an extra dividend of 25 cents a share payable Dec. 27 to stock of record Dec. 10. The regular quarterly dividend of 50 cents is payable Jan. 2 to stock of record Dec. 10.

Blocker Goes With J. & H.

H. A. Blocker has resigned as manager of the Minneapolis office of Hartford Steam Boiler and has joined the staff of Johnson & Higgins of Illinois as manager of their boiler and machinery department. Prior to his appointment as manager of the Minneapolis office, he had served as manager of the Hartford Seattle office and as special agent in Indiana.

\$2 for Pa. Licenses

The Pennsylvania department, effective Jan. 1, will charge \$2 for each agent's license issued to a co-partnership or corporation, for issuance of new

licenses in different names, and for issuance of broader licenses. The agent will have to pay the charge for each company he represents.

Interstate Rating Plans Are Approved in Fla.

Commissioner Larson of Florida has approved the Multiple Location Service Office and the independent plans for rating interstate risks. The M.L.S.O. plan has now been approved in 41 states.

Luecal Replaces Tyler

National Union has appointed Robert Luecal special agent in the Cook county department. Mr. Luecal has been underwriter in the western department at the home office. He served in the army in the last war and had joined National Union in 1948.

Mr. Luecal succeeds Arthur L. Tyler, who joins the George B. Franks agency at Champaign. Mr. Tyler had served in the air force and attended Michigan State college. He had been with National Union five years.

Hubert Cunningham and Morris Moughon, partners in the Martin A. Hayes Co. agency, Nashville, and T. O. Morris, Nashville claim manager, were honored by Standard Accident for 25 years' representation.



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R. I. Assn. Has Interesting Report on Membership

An interesting report has been published to members of Rhode Island Assn. of Insurance Agents on membership, prepared by a special committee on the subject.

It was the conclusion of the committee that under the constitution it is impossible to deny membership to part time agents; membership should not be too restrictive, in order to build a strong organization necessary for legislative program; that barring from membership of licensed agents would not remove them as competitors; that by admitting them, unethical practices might be eliminated.

Also, that when the state insurance was taken over by the association the present constitution was changed to allow any qualified agents to join; that the standard of membership in the association is set by the state insurance department in the granting of licenses, and that the only solution to this problem is to raise the qualification requirements for obtaining an agent's license.

D. C. Agents Hold Banquet

WASHINGTON — District of Columbia Assn. of Insurance Agents held its annual banquet Nov. 29, with President V. O. Schinnerer in charge and William A. d'Espard as program chairman.

Guests included Superintendent Jordan and his deputies, Miller Stout and J. Calvin Cruikshank; R. C. Mochwart, casualty rate actuary of the department; Fire Marshal Ray Roberts and George E. Keneipp, director of vehicles and traffic, who has been cooperating with the association in a radio program in the interest of safety.

The dinner was preceded by a cocktail party.

Linn County Agents Elect

W. H. Warden of Lebanon has been elected president of the Linn County (Ore.) Assn. of Insurance Agents. David P. White, Albany, is vice-president and Donald R. Catt, also of Albany, secretary.

Form New Va. Local Board

W. L. Foltz has been elected president, Henry L. Turnage, vice-president, and Lula S. Dunlap secretary of the newly formed Lexington-Buena Vista Assn. of Insurance Agents, which was organized at a dinner meeting at Lexington, Va.

William N. Day, manager of the Virginia association, was host to about 20 Lexington and Buena Vista agents and their associates in attendance.

G.A.B. Has Tenn. Changes

Elmo Wilkes, adjuster at Memphis for General Adjustment Bureau, has been appointed adjuster in charge at Clarksville, Tenn., to succeed C. B. Puckett, who has been transferred to Nashville as senior adjuster. Mr. Wilkes has been with G.A.B. since 1946.

Change at Fairmont, Minn.

Paul R. O'Malley, manager of the Security Agency at Fairmont, Minn., has resigned and with W. A. Ovrom, insurance buyer of Fairmont Canning Co., will start a new agency at Longmont, Colo., to be known as O'Malley-Ovrom Agency.

Mr. O'Malley will be succeeded at Fairmont by Lawrence M. Cooksey of Spring Valley, Minn.

Monfort Lewis County Head

Lewis County (Wash.) Insurance Agents Assn. has elected R. H. Monfort president. Glenn Putman is vice-president and Arden Givens, secretary.

Move Niagara's Newark Office

The Newark office of Niagara Fire of America Fore group has moved to new

quarters at 60 Park place, and held an official opening Tuesday. For 16 years the office has been at 31 Clinton street. The opening day concluded with a reception for agents and brokers at the Robert Treat hotel.

Welcome, Farewell in Neb.

Insurance federation of Nebraska is giving a dinner at Lincoln Dec. 18 in farewell to Bernard Stone, outgoing insurance director, and piping aboard Loren Laughlin, who becomes director Jan. 1.

Named Assistant Treasurer

John R. Gosnell has been appointed assistant treasurer of the Massachusetts Protective Association and Paul Revere Life. Mr. Gosnell has been with the companies since 1946. He is a graduate of Brown university and a war veteran.

Hear Best Talk at Moline

Douglas Best, manager of Illinois Audit Bureau talked on new policy forms at a joint meeting of the Rock Island and Moline agents' associations at Moline last week. The meeting was called to familiarize the agents with the new policies.

V. L. Allen of Moline was in charge of arrangements.

Van Horn Gets Field Post

National Union Fire has appointed John R. VanHorn, Jr., Allegheny County special agent with headquarters at the home office at Pittsburgh. An army veteran, Mr. VanHorn joined the company in 1940.

New Ill. License Manual

The Hanson Insurance License Bureau of Springfield, Ill., has put out a "Manual of Examination" for agent and broker license applicants. This follows the action of the Illinois department in discontinuing to supply such a manual to applicants.

The Broad PPF

A unique claim under a PPF of a New Orleans assured has been paid, with the company apparently indisposed to tackle what could be an embarrassing subrogation action.

The assured's story goes like this: During a recent convention at Atlanta, he was housed in a hotel room with an elderly Texan attending the same meeting. The latter was found dead in bed

one morning and his wife went to Atlanta for funeral arrangements. When assured packed for his return home, he found that a new \$125 suit was missing. On going to the funeral parlor with the wife of the deceased, assured was confronted with his suit on the dead man, and a story from the wife that she had begged him to get a new suit while away and evidently he meant to surprise her with it.

W. C. Carriers Slip in Performance, Says N. Y. Board Head

The performance of workmen's compensation carriers as tested by compensation cases closed by the New York State Workmen's Compensation Board during the first half of 1951 deteriorated slightly from the standards of performance achieved, according to records for the previous six months.

In releasing carrier performance charts, Miss Mary Donlon, chairman of the board, said that although the reasons for the deterioration were not clear, the "hoped for steady performance improvement toward statutory requirements as a minimum, has experienced a disappointing set-back."

She said: "If performance as shown on these charts is compared with carrier performance in 1945, when this method of recording was initiated, it is true that on the average there is some improvement in promptness of first payment, filing of accident reports, and payment of benefits without controversy in compensated cases." But she said, "There is small room for congratulation to carriers as to their performance. On an average there was notable falling off from the inadequate and unsatisfactory level of performance that had so laboriously been attained by administrative urging during the preceding six years."

Time of First Payment

She said that reported first payment of compensation was made within 18 days from date of disability in only 76.7% of all uncontroverted cases that were closed. This, she said, was a worsening in performance from the average of 78.5% of the preceding six months, a level of performance that is still short by 21.5% from the minimum the law exacts.

"It took, on average, 22.3 days from the date when disability began, for carriers to make their first compensation payment in compensated cases closed during the period. Accident reports were filed within the period required by statute in less than half, only 49.3%, of all compensated cases closed."

"Only three carriers, two of them self-insurers, made first payments within the statutory 18 days in as many as 90% of their uncontroverted claims. Thirty-three carriers, including five private self-insurers, two public self-insurers, and 26 insurance carriers, made timely first payments in less than 75% of the claims they did not controvert."

Need for Quicker Pay Urgent

"No carrier filed its C-2 reports within 13 days, three days more than the statutory requirement of 10 days, in as many as 90% of its compensated cases. Eighty carriers filed less than 75% of their C-2 reports within 13 days after the accident occurred."

"Here is sober food for thought as well as urgent need for real effort toward prompter payment and prompter reporting."

She distributed with her report an alphabetical listing of carriers showing their rank in various performance categories. The four tables showed rated companies by their promptness of first payment in uncontroverted cases, the average number of days elapsed—disability to report at first payment, promptness in filing employers' reports, and extent of controverting compensated cases.

Salary Disclosure Question Up Again

(CONTINUED FROM PAGE 4)

tinuance. Bowles said it continued 'till its job was completed.

Hugh Mills of West Virginia urged a time limit on release of examination reports, from completion of the exam. Two recent reports have taken an interminable time, one more than a year, he said. If examiners can't agree they should issue a majority and minority report within a reasonable time.

Zone 4 Proposals

J. R. Glennon of Illinois discussed several proposals from Zone 4—test checking of rates in examinations of rating bureaus, by competent experts; as actuaries are used on life company examinations; use of a line in statements to show rating bureau affiliations, use of those rates or deviations, or filing as independent; and practice of a company's home department notifying examiners not to contact the company, if the department regards that as wise.

Mr. Glennon wanted to know if the industry was to be heard on the revised manual before it goes into effect.

Carey on Coast Tour

Stephen W. Carey, III, president of Providence Washington, has been visiting the Pacific Coast. He made his first stop on the coast at Vancouver and then spent some time with Elmer W. Solsness, state agent at Seattle, before going on to San Francisco for conferences with Charles E. Currey, manager of the Pacific department.

Jenner Talks on Coercion

A talk on coercion of insurance in connection with real estate and mortgage loans transactions was given by Robinson C. Jenner at a luncheon meeting of the Real Estate Board, as part of the public relations program of King County Insurance Assn.

Boston Assigns Moulton

Boston has appointed Lewis C. Moulton multiple line special agent at Rochester.

Mr. Moulton, an air force veteran, joined the company in 1950, and has completed the advanced training program.

Tri-State Annual in March

The annual convention of Tri-State Mutual Agents Assn. of Pennsylvania, Maryland and Delaware, will be held March 17-18 in Philadelphia. Because of the pressure of personal business and on orders of his physician, H. Clay Johnston of Philadelphia, president, will not be a candidate for office beyond the convention.

Lumley-Dennant in Larger Space

Lumley-Dennant, excess and special line underwriters, New York, has added one third to its space on the 15th floor there. Rex Dennant is head of the office. He is assisted by Phillip C. Travers, domestic department; James McMurry, brokerage, and Arthur Olsen, excess and surplus lines.

Hear Motor Vehicle Bureau Men

Assn. of Local Agents of New York City at its Dec. 11 luncheon will hear Judge Murtaugh and Victor F. Veness of the state motor vehicle bureau.

Carl Pearson, special assistant to Superintendent Bohlinger of New York, who covered the N.A.I.C. meetings for the New York Journal of Commerce for more than 10 years, was attending his first meeting as a member of a department staff.

Walter Robinson, Ohio superintendent, who was ill recently, attended the New York City meeting of N.A.I.C. and is in good shape.

Denver Banner



The new banner of Denver Insurers Assn. was unveiled at a recent meeting of that group. Shown at the ceremonies are Fred W. Noe (left), of Greeley, president of the Colorado association, and James M. Kellett, president of the Denver group. The local association now has an official decal, banner and printing cuts for the use of their membership.

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PHOTOGRAPH BY SARRA

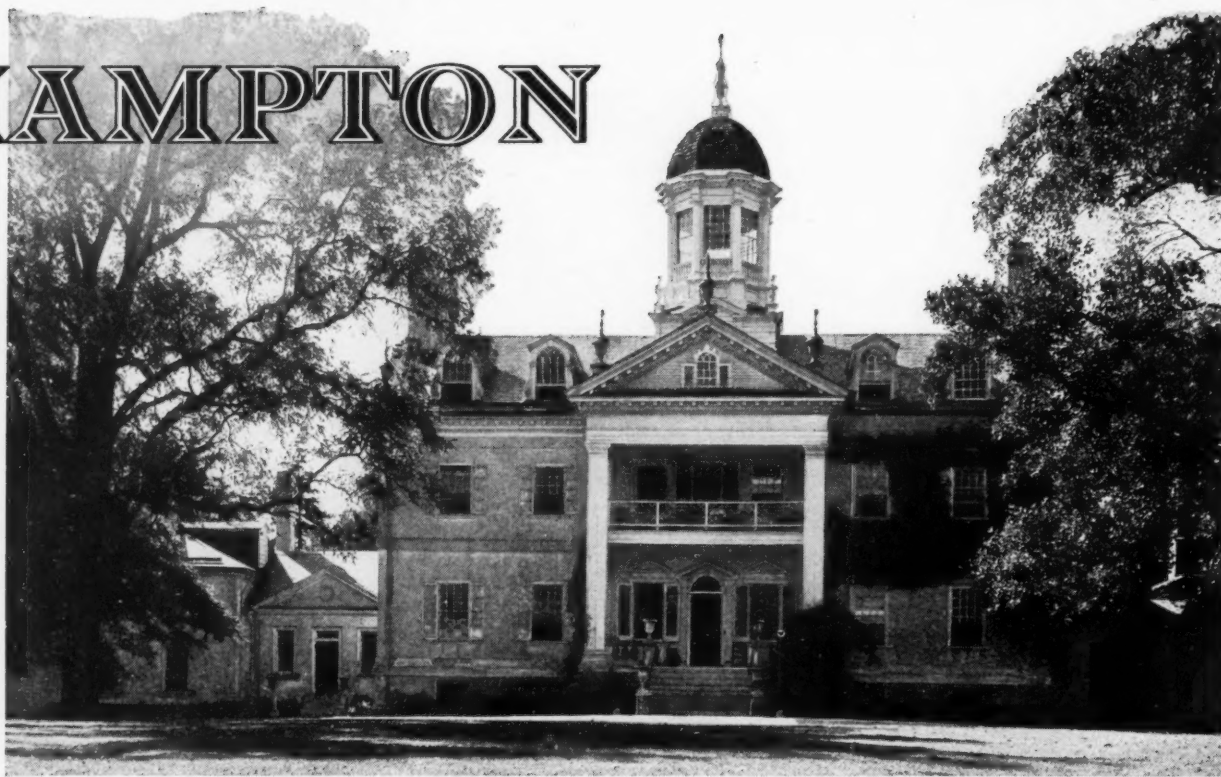
Selling Safety and Security is His Business

Day in and day out, regardless of where he is or what he is doing, he sees them . . . friends and neighbors, folks who go about their business—and pleasure—secure in the knowledge that their insurance coverage stands between them and serious financial loss.

Every day, insurance Agents and Brokers are helping customers select the kind of insurance that exactly fits their situation. Your Agent's experience and knowledge can provide adequate protection for you, at the lowest possible cost.

{ This is a reproduction of a poster (19" x 25") prepared for Producers. We will be glad to send you a free copy for your office wall or window. Please address your request to American-Associated Insurance Companies, Saint Louis 2, Mo. }

HAMPTON



SYMBOL OF A VANISHED ERA

BECAUSE of the danger of wolves in the neighborhood, while Hampton was being built, the workmen were allowed to quit early each day in order to reach home before dark. This stately mansion near Baltimore was started in 1783 and was built by Charles Ridgely whose family had been early settlers in Maryland and had amassed wealth and won prominence in the colony.

Fond of hunting and good-fellowship, the genial Charles differed sharply from his domineering, intensely

religious wife Rebecca. It was said she was the only living creature he feared. As Hampton was the fulfillment of a long-cherished ambition, when it neared completion, he proposed to hold a lavish housewarming which Rebecca violently opposed. Her husband had his way but on the appointed evening he and his friends waxed



Charles Ridgely



Rebecca Ridgely

merry at a stag party while Rebecca conducted a prayer meeting in another part of the house.

In 1790, shortly after the housewarming, Ridgely died and, having no children, left the estate to his nephew Charles Carnan with the proviso that he assume the name Ridgely. Rebecca, who could have had Hampton for her lifetime, preferred to accept another dwelling. Charles Carnan Ridgely devoted himself to developing the terraced gardens which became known for their beauty. Governor of Maryland for three years, he was married, oddly enough, to Rebecca's youngest sister.

After remaining in the possession of the Ridgely family for more than a century and a half, Hampton was deeded to the nation in 1947. Under the custodianship of the Society for the Preservation of Maryland Antiquities it is operated for the National Park Service. At the time of the transfer a former Secretary of the Interior stated: "Few historic houses in the United States were built on such a magnificent scale. Hampton represents the height of opulence in the period just after the Revolution and it has survived intact."



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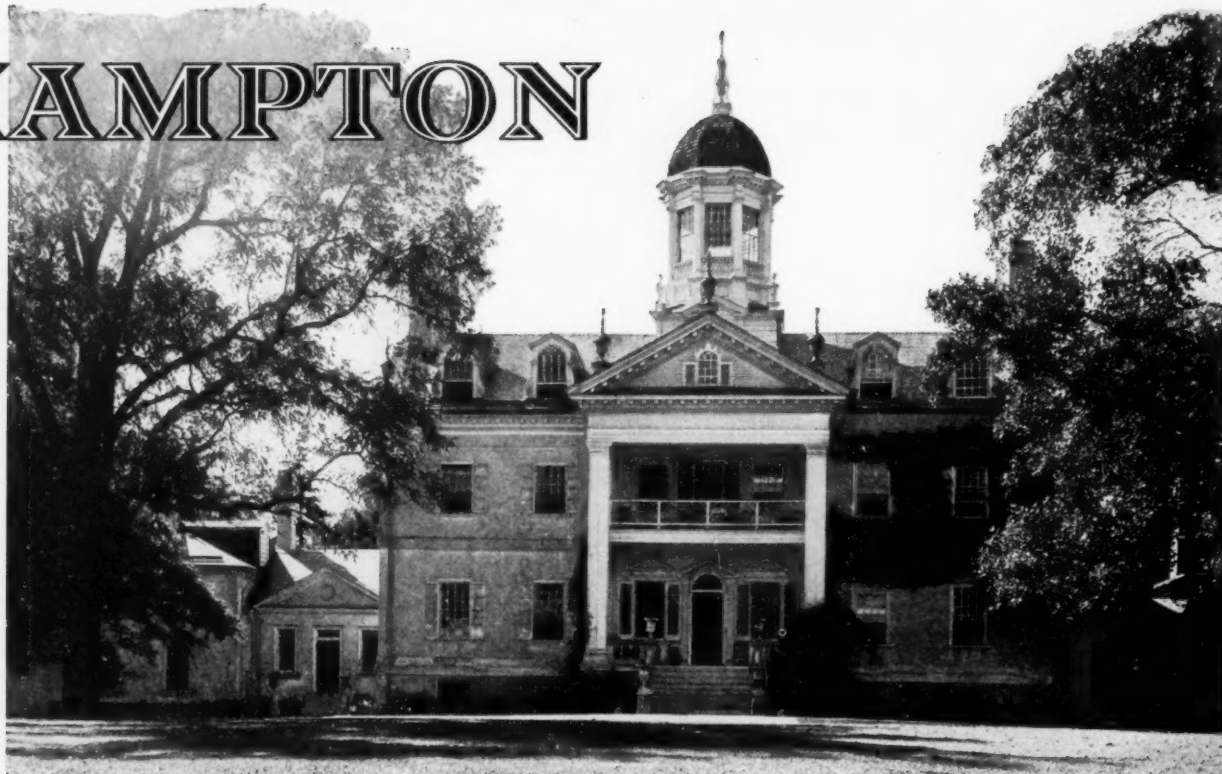
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